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## Soviets Said to Plan Autonomy for Area Hit by Ethnic Feud

By Gary Lee  
Washington Post Service  
MOSCOW — Armenian Communist Party officials succeeded yesterday in quelling a new wave of ethnic protests amid indications that the Soviet leadership had worked out a plan to make the disputed region of Nagorno-Karabakh an autonomous region independent of both Azerbaijan and Armenia.

in Yerevan, the Armenian capital, demonstrators organized a mass strike and street protests over the weekend to demand that the republic's Supreme Soviet, or parliament, adopt a resolution calling for the transfer of Nagorno-Karabakh to Armenia. It now is an enclave in Azerbaijan.

## Klosk Soviet Apology Is Given to U.S.

WASHINGTON (UPI) — The Soviet Union has apologized for the 1985 killing of Major Arthur D. Nicholson Jr. of the U.S. Army and has agreed on measures to prevent such an incident from happening again, the Pentagon said Tuesday.

## Mitterrand Confident on Rocard Cabinet

By Joseph Fitchett  
International Herald Tribune  
PARIS — President Francois Mitterrand said Tuesday that the Socialist government led by Prime Minister Michel Rocard had enough parliamentary support to enact the broad lines of his policies, even though it lacked an absolute majority in the National Assembly.

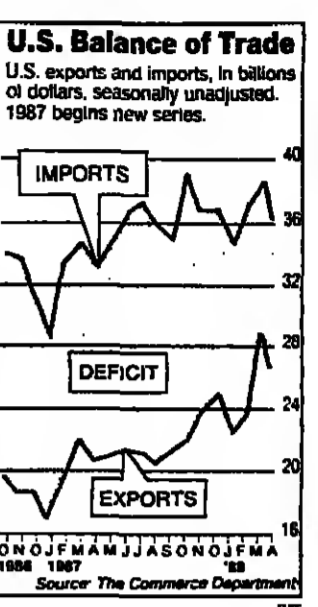


CLOSE QUARTERS — Jürgen Klinsmann, who scored in the ninth minute, headed the ball while elbowing Denmark's Ivan Nielsen during a European championships soccer match Tuesday in Gelsenkirchen, West Germany. The host team won, 2-0. Page 19.

## Trade Deficit In U.S. Falls to 40-Month Low

### N.Y. Stocks At Highest Since Crash

By Stuart Auerbach  
Washington Post Service  
WASHINGTON — The U.S. merchandise trade deficit improved again in April, narrowing to its lowest level in 40 months, as American companies held on to most of the previous month's surge in overseas sales, the Commerce Department reported Tuesday.



The figures are very encouraging," said Robert Ortner, the undersecretary of commerce for economic affairs.

The trade report was the first since December 1985 to state the most recent data in both adjusted and unadjusted terms. The new reporting method, which adjusts the figures for seasonal variations in imports and exports, is intended to limit the erratic swings in the monthly deficit that have jolted global financial markets.

The unexpectedly good trade figures buoyed stock prices in New York. The Dow Jones industrial average advanced 25.07 points to 2,124.47, its highest closing since the October market collapse. Bond prices also firmed as interest rates decreased. (Page 12)

U.S. exports totaled a seasonally adjusted \$26.22 billion, a 2.5 percent decline from the March level. But imports fell a hefty 6.4 percent to \$36.11 billion.

Xavier Dupont, above, resigned as head of the French Bourse in a 500-million-franc scandal. He was replaced by Régis Rouselle, below. Page 13.

General News  
Michael S. Dukakis promised a tough, realistic approach toward Moscow. Page 3.  
Japan is doubling to \$50 billion, its economic aid. Page 2.  
Thousands of Lebanese are largely forgotten "other hostages" in the civil war. Page 6.

Dow Jones  
Close 25.07  
The Dollar in New York  
DM 1.7488  
DM 1.7488  
Pound 1.786  
Yen 128.56  
FF 5.895

Secretary  
In Silicon Valley, a U.S. Ideal Cashes In Its Chips  
By Andrew Pollack  
New York Times Service  
SAN FRANCISCO — Has the Silicon Valley ideal outlived its usefulness?

## Kinnock Aide Resigns, Adding to Labor's Woes

By Karen DeYoung  
Washington Post Service  
LONDON — The opposition Labor Party's chief spokesman on defense resigned Tuesday, charging that the party leader, Neil Kinnock, had humiliated him by making consulting advisers.

Moreover, they say, the constant exodus saps the strength of the larger companies and discourages them from making long-term investments. Worse still, according to this view, the smaller companies often have to sell technological secrets for badly needed cash, providing a way for foreign companies to purchase the latest technology inexpensively.



OPEC ACCORD — Oil Minister Ali Khalifa al Sabah of Kuwait, left, shaking hands with his Iraqi counterpart, Issam Abdul Raheem al Chalabi, after an Organization of Petroleum Exporting Countries meeting in Vienna Tuesday. Ministers agreed to extend existing quotas for six months, but Iraq, which has been at war with Iran for almost eight years, would not agree. Page 13.

## White House Chief of Staff Is Resigning

WASHINGTON — Howard H. Baker Jr. will resign on July 1 as President Ronald Reagan's chief of staff and will be replaced by his deputy, Kenneth M. Duberstein, it was announced Tuesday.

White House  
Chief of Staff Is Resigning  
The Associated Press  
WASHINGTON — Howard H. Baker Jr. will resign on July 1 as President Ronald Reagan's chief of staff and will be replaced by his deputy, Kenneth M. Duberstein, it was announced Tuesday.

## Tobacco Firm Is Liable, But Ruling Is 'Limited'

NEW YORK — Observers had conflicting opinions Tuesday on whether a judgment finding a cigarette company liable in the death of a smoker boded well for cases against cigarette makers.

first time a cigarette company was found liable in a smoker's death. The jury concluded that the company had failed to warn of the health risks of smoking before 1966. It also found that in advertising before 1966 the company misled the public by suggesting that smoking was safe.

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# Japan Is Doubling, to \$50 Billion, Aid to Developing Nations

By Patrick L. Smith  
*International Herald Tribune*

TOKYO — Japan announced Tuesday that it will double, to more than \$50 billion, economic aid to developing nations over the five years between now and 1992, marking the most significant step to date in a foreign policy initiative begun last year.

In a statement made by the cabinet of Prime Minister Noboru Takeshita, Japan also committed itself to substantial improvements in the terms under which it will offer loans to Third World nations, as well as the proportion of aid available in the form of grants.

No specific targets in these areas were disclosed, however. Diplomats reacted with cautious approval to the announcement.

The new measures follow an effort begun last year by Yasuhiro

Nakasono, Mr. Takeshita's predecessor, who advanced global economic activities as one substitute for the military and security roles that Japan is denied under its post-war constitution.

Mr. Takeshita has sought assiduously to give substance to this effort since coming to office in November. Despite sizable increases in Japan's aid contributions in recent years, the United States and other Western donors have continued to criticize Japan for the quantity of its aid and the conditions under which much of it is given.

In the budget for the current fiscal year, which ends March 31, Japan has provided for 1.35 trillion yen (\$10.8 billion) in foreign aid, a rise of 45 percent in dollar terms over its 1987 disbursements. On this basis, Japan is about to become the world's largest donor.

But the country's contributions remain below those of other advanced nations as a proportion of gross national product, other donors point out. In addition, much of the recent rise in Japanese aid is a reflection of the appreciation in the value of the yen.

The prime minister is expected to elaborate on the new prominence Japan is seeking as a global donor at the summit meeting of the largest industrialized democracies that is to begin Sunday in Toronto. The announcement Tuesday was seen as a prelude to a foreign policy speech Mr. Takeshita is to deliver at the meeting.

Under the plan, official aid is to be increased to "more than \$50 billion" in the five fiscal years from March 1992. Tokyo spent \$25 billion on Third World assistance over the past five years.

With regard to the quality of Japanese aid—a significant point of contention between Japan and other donor nations—the government said it will reduce the proportion of loans tied to purchases from Japanese manufacturers and improve terms under which loans are offered to Third World borrowers.

"Bearing in mind the structural adjustment efforts and debt burden of the developing countries, loans will be extended with added flexibility," the announcement said.

In addition, the government said it will raise the proportion of aid given in grants, which do not have to be repaid. Grants have accounted for about 25 percent to 30 percent of total Japanese aid in recent years, a percentage that many financial analysts and foreign officials feel is too small.

"This will certainly consolidate Japan as the major international donor," a Western analyst said. "But we'll see precisely what this means only in coming months."

The chief criticism of Japanese aid has been of its size in relation to national output. Official aid is now about 0.31 percent of GNP, compared with an average of 0.35 percent among other members of the Organization for Economic Cooperation and Development.

Critics also assert that too much aid has been tied to purchases from Japan and too much has been concentrated in Southeast Asia and China, where Japanese companies are likely to benefit even when loans are technically untied. More than a quarter of Japan's annual disbursement now goes to China, the leading recipient of Japanese aid.

In response to these criticisms, Japan has begun to diversify aid donations and reduce interest rates on Third World credits. At a summit meeting in Venice last year, Mr. Nakasono unveiled a \$30 billion aid program, about two-thirds of which has been disbursed.

It is still unclear, however, whether Japan will succeed in raising the value of aid as a proportion of GNP. The plan unveiled Tuesday represents a victory for the Finance Ministry, which has resisted proportional targets to maintain fiscal austerity.

The Foreign Ministry, by contrast, has argued strenuously in favor of improving Japan's international profile by matching the proportional average achieved among other members of the OECD.

## WORLD BRIEFS

### Turkish Troop Removal Ruled Out

VOULIAGMENE, Greece (AP) — Prime Minister Turgut Ozal took a hard-line stance Tuesday on Cyprus, ruling out any partial withdrawal of Turkish troops from the Mediterranean island.

Mr. Ozal said he would like a "complete solution" to the Cypriot problem but said it would "take time." In a news conference at the seaside resort outside Athens, Mr. Ozal insisted on a package settlement that would include both constitutional and security issues.

His remarks dashed lingering Greek hopes that Mr. Ozal would make gesture to boost Greek-Turkish rapprochement by reducing the Turkish military presence in northern Cyprus.

### Poles Promote Reformers in Party

WARSAW (Reuters) — In a Polish Communist Party shuffle Tuesday, the president of the National Bank, Wladyslaw Baka, was named a Politburo member and Central Committee secretary. It was aimed at strengthening the ranks of reformers.

A Politburo member, Stanislaw Rakowski, an ally of the party leader, General Wojciech Jaruzelski, was an influential executive position as a secretary of the Central Committee.

Foreign Minister Marian Orzechowski, another Politburo member, became a Central Committee secretary as well, a full-time job that means his departure from the government. Six Politburo and Central Committee secretaries lost their posts.

### Meese to Send IRA Fugitive to U.K.

WASHINGTON (Reuters) — Attorney General Edwin Meese 3 ordered Tuesday that an Irish Republican Army fugitive convicted of murdering a British soldier be deported to Britain.

The fugitive, Joseph Patrick Thomas Doherty, was found guilty in 1984 by a British court in Belfast of shooting and killing a British soldier during an ambush in a British Army convoy. Mr. Meese, who has final authority in immigration cases, overturned a decision by the Justice Department's Board of Immigration Appeals that granted Mr. Doherty request that he be deported to Ireland.

Mr. Doherty, 35, who was sentenced to life in prison, escaped from Belfast prison in 1981 and fled to the United States the following year using false documents. He was arrested in 1983 in New York City.

### FBI Said to Urge Disciplining Aides

WASHINGTON (NYT) — An internal report by the FBI has recommended disciplinary action against a number of bureau officials involved in a domestic surveillance campaign aimed at opponents of the Reagan administration's policies in Central America, according to government officials.

The recommendation, the officials said Monday, was the strong indication to date that senior officials in the FBI believe the bureau's two year counterterrorism investigation of the Committee in Solidarity with the People of El Salvador was seriously mishandled.

Officials said the report, which followed a four-month internal investigation, was given last month to the FBI director, William S. Sessions.

### U.S. Extends Probe of Defense Fraud

WASHINGTON (AP) — Federal investigators on Tuesday served search warrants at about 30 locations, including the Pentagon, as part of nationwide criminal investigation of alleged fraud and bribery involving defense contractors and the U.S. government.

The inquiry, conducted by the FBI and the Naval Investigative Service, has been under way for more than two years and involves "allegations of fraud and bribery on the part of defense contractors, consultants as U.S. government employees," an FBI spokesman said.

The investigation focuses on more than one of the military services, said federal law enforcement sources. No one has yet been charged, a FBI spokesman said.

### New Hong Kong Refugee Policy Seer

HONG KONG (Reuters) — Hong Kong, its refugee camps filled, the steady arrival of Vietnamese "boat people," is to introduce screening procedures in a policy change beginning Thursday, diplomatic sources said Tuesday.

The Hong Kong government is to announce Wednesday its categories for the following day all new arrivals will be divided into as categories: refugees fleeing persecution for reasons of their political, religious, beliefs, and economic refugees leaving Vietnam for purely financial reasons.

The diplomatic sources said the move, a radical change from the British colony's policy of accepting all arrivals from Vietnam regardless of background, could lead to policy changes in other Southeast Asia countries. It is expected that the arrivals classified as economic refugees would be kept in prison-like conditions on remote islands until repatriation could be arranged with Hanoi.

## TRAVEL UPDATE

### 12 French Domestic Flights Canceled

PARIS (AFP) — Air Inter, the French domestic airline, said Tuesday would cancel 12 flights Wednesday because of a morning strike by pilots and flight engineers against cuts in manning levels on the Airbus A-320.

Twelve flights were also canceled Tuesday because of the strike, A. Inter said. The airline plans 11 cancellations on Thursday and seven on Friday as pilots and engineers continue stoppages before 8 A.M. In addition, unions representing pilots and engineers called for more series of morning strikes next week.

### Italy Ranks Its Beaches for Pollution

ROME (Reuters) — The least-polluted Italian beach resorts this summer should be found in Sardinia and the worst in southwest Italy, according to Health Ministry statistics published Tuesday.

A ministry report lists, in addition to Sardinia, parts of the Molise coast on the Adriatic as enjoying the purest water. The areas of Campania Calabria and northern Sicily were black spots. Some of the dirtiest water were near Naples and near Trieste on the Yugoslav border. Beaches near Rome were also among the least appealing.

### PIONEER: Going Out of Style?

(Continued from page 1)

International Business Machines Corp., he notes.

"The time of entrepreneurship and instability, and the virtues of the lone start-up engineer are virtually over in this industry," Dr. Ferguson said in an interview. He said that while small companies can bring products to market quicker than large ones, many later falter.

The implications of the debate are widespread. The semiconductor industry was the first that grew in the pattern of corporate defections and start-ups backed by venture capital. If Dr. Ferguson is correct, it could mean that trouble may lie ahead for others that have followed, such as the computer and biotechnology industries.

Some think this is already happening in the industry that makes the machinery used to produce semiconductors. Hundreds of American companies are competing in the market and are slowly losing out to the Japanese.

"It is simply unlikely that more than 800 relatively small manufacturers can survive against 15 or 20 giants in Japan," W.J. Sanders 3d, chairman of Advanced Micro De-

## Civil Servant Strike Snarls Life in Israel

The Associated Press

JERUSALEM — About 60,000 unionized civil service employees in Israel started an indefinite strike Tuesday, shutting down the country's railway and tax offices.

Disruptions were reported at hospitals, where the strike affected administration and maintenance staff. Court clerks did not show up at work.

Prime Minister Yitzhak Shamir condemned the strike and warned that the Finance Ministry might issue back-to-work orders.

"I think there was no need for the strike that causes damages and creates inconvenience for the economy," he said on Israel radio. "We shall employ all legal means when it becomes necessary and when the strike would cause the citizens serious suffering."

At Ben-Gurion International Airport, an emergency staff of 10 out of the usual 180 customs officials checked the luggage of passengers on incoming flights, Israel Army radio reported.

A soldier guarding the Tel Aviv-Haifa railway station said that he had to inform would-be passengers about the strike. "They were amazed," he said.

The strike also affected government ministries, including the Interior Ministry, which stopped issuing identity cards and passports, as well as the Employment Service and the National Insurance Institute, Israel's Educational Television suspended broadcasts.

The strike came after the failure of talks on Monday between the union of civil servants and the Finance Ministry. There were reports that the ministry had informed strikers it would exclude strike days from their salaries.

The union secretary, Reuven Ben-Ami, said on army radio that the civil servants, whose average monthly salary is about 1,000 shekels (\$625), are "ready to sacrifice to achieve better wages."

The Israel radio quoted Mr. Ben-Ami as saying the strike would continue Wednesday.

Union officials said they are demanding a wage increase of 124 shekels, a raise in medical payments and an increase in the annual recreation period covered by those payments.

## Israelis Confront Norwegian Troops in Lebanon

The Associated Press

BEIRUT — A Norwegian unit of the United Nations peacekeeping force was locked in a tense confrontation with Israeli troops in southern Lebanon, UN sources reported Tuesday.

Elsewhere in southern Lebanon, four villagers were killed and four wounded when Israeli gunners shelled Shiite Moslem guerrilla hideouts in Tibnin Valley before dawn, police officials said.

United Nations sources said that Norwegian and Israeli troops faced each other through the night, fingers on triggers, as flames illuminated the area over Mount Hermon foothills.

"They're still squared off in a tense confrontation," a source said at midmorning. He said the tension developed after Norwegian troops blocked Israeli troops two days ago from setting up a checkpoint close to an outpost on the southern edge of Hebbariyah.

The village is seven miles (11 kilometers) north of Israel's self-



STORMY DEBATE — Pinks Goldstein of the Likud Party warning Vital Cohen, also of Likud, to be quiet during voting Tuesday in the Knesset on two amendments aimed at "maintaining the purity" of the Jewish people. The measures would change the definition of a Jew and, in effect, limit who could emigrate to Israel. Both bills were narrowly defeated after emotional debate.

## ETHNIC: Soviets Said to Draft Solution for Region

(Continued from Page 1)

mise, making the area independent of both republics.

Nagorno-Karabakh was made part of Azerbaijan in 1921, as the Soviet Union was being organized of various peoples and regions after the 1917 Bolshevik Revolution.

Armenians have insisted for years that the area belongs to their republic because its population is more than three-quarters Armenian.

They accuse Azerbaijani officials of oppressive behavior and of undermining Armenian identity and culture in the enclave.

In a speech to demonstrators in

Baku, the Azerbaijani party leader, Abdul-Rahman Vezirov, said that a union of Armenia and Nagorno-Karabakh was opposed by Azerbaijani party officials.

He did not mention proposals to make the region autonomous.

The President of the Supreme Soviet of Azerbaijan has already turned down the proposal to unify Nagorno-Karabakh and Armenia, calling it "unacceptable," Baku radio reported on Tuesday.

On June 17, the Azerbaijani Supreme Soviet is expected to meet to reject formally any such measure.

■ 1941 Recalled in Riga

Thousands of people demon-

strated in Soviet Latvia on Tuesday to mark the 47th anniversary of mass deportations from the Baltic republic under the rule of Stalin, Reuters reported from Moscow, quoting the press agency Tass.

Tass said the demonstrators marched through Riga, the capital, and laid flowers in honor of 31,000 Latvians forcibly removed to distant parts of the Soviet Union before the Germans invaded in 1941, and in 1949.

Tass said the demonstrators included "many aged people, those who had endured the grim times of Stalinism," Reuters reported.

## FRANCE: Rocard Cabinet

(Continued from page 1)

ment for Mr. Mitterrand, and one that highlighted the difficulties of his hopes for an "opening" toward the center, was the tough political infighting among conservatives striving to maintain their unity.

A small center-right party, the Center for Social Democrats, known by the initials CDS, said Tuesday that it intended to establish itself as an autonomous group in parliament.

The party, which emerged strengthened from the elections with 50 seats, said that French voters wanted a more dynamic centrist movement.

But the CDS, which is in effect a moderate Christian Democratic faction, was immediately threatened with retaliation and possible expulsion by its political allies in the Union for French Democracy, or UDF, the liberal grouping.

The UDF, in an alliance with the Gaullist Rally for the Republic, ran closely behind the Socialists in parliamentary elections.

Although the CDS leader, Pierre Méhaignerie, 49, said that his group intended to remain in the conservative opposition, other UDF leaders said that they were unanimously opposed to Mr. Méhaignerie's move because it would weaken the right and could be a first step toward cooperating with a Socialist government.

The UDF statement threatened the CDS with political isolation in upcoming local elections if it carried out its bid to form a parliamentary group, entailing the CDS to floor time, committee roles — and positioning the party to play a swing role in coalitions.

Mr. Méhaignerie, said that he had no intention of joining the kind of government the Socialists seemed to be preparing.

Promising to reply on Wednesday to the UDF criticism, he also met at length with a wider centrist group, including Raymond Barre, the former prime minister who has been urging a separate parliamentary role for the centrist group.

The prospect of a period of domestic political turmoil threatens to weaken France's role internationally. An image of France as "a rudderless ship," buffeted by the passions or apathy of the moment, is being conjured up," said an editorial in Le Monde.

## SMOKE: Experts Unsure on Impact of Ruling

(Continued from Page 1)

risks of smoking and conspiring to misrepresent facts.

In awarding damages to Mr. Cipollone but not to his wife's estate, the jury found Mrs. Cipollone mostly to blame for her death.

Several analysts said that, since the jury exonerated the companies of conspiring to mislead the public about the dangers of smoking, the ruling was the best outcome for the industry, short of victory.

"I haven't spoken to that many people who feel that this decision is really terrible for the industry," said a Wall Street tobacco analyst. "The verdict is much too limited."

Another analyst said: "The reason you were scared or worried about tobacco company profitability was that they could have been found guilty on a conspiracy charge or misrepresentation. That does not seem to be the case."

"If anything, it will close the floodgates on this kind of litigation," said Alan Naeur, a Liggett lawyer. "It is clear that the jury

would appeal, even though "it was not a big loss."

In addition to the fraud and conspiracy charges, Liggett faced other charges because Mrs. Cipollone smoked only Liggett's Chesterfields and L&Ms before 1966.

The jury found that Liggett should have warned people who smoked Liggett cigarettes before 1966 and that its failure to do so was a substantial factor in causing Mrs. Cipollone to smoke, to contract lung cancer and to die.

Liggett was charged with guaranteeing by express warranty, safety in advertisements before 1966 by proclaiming that, for example, L&Ms were "Just What the Doctor Ordered" and that smokers should "Play Safe — Smoke Chesterfields."

The jurors, who included a smoker and two former smokers, found that from reading and other notifications Mrs. Cipollone knew enough about the danger of cigarettes before 1966 that by insisting on smoking she "unreasonably encountered a known danger."

The jury ruled that Mrs. Cipollone was 80 percent to blame for her death and Liggett 20 percent. Mrs. Cipollone's estate would not have been entitled to damages unless the company had been found to be at least 50 percent to blame.

(AP, NYT)

## LABOR: Aide Resigns

(Continued from Page 1)

tion is not enough for Britain to contemplate action.

Mr. Kinnoch's aides said that his widely publicized remarks did not constitute an abrupt turn away from unilateral nuclear disarmament, a policy with which he has personally been identified all of his political life. Instead, they described his remarks as a "refinement" and a logical advancement of Labor policy.

But his comments caused an immediate uproar in the party, with some accusing him of the callous abandonment of "socialist principles" in his zeal to make Labor electable when the country next goes to the polls by 1991. Such charges have been made regularly since recent months, with the so-called "hard left" of the party.

Mr. Kinnoch has been challenged for the party leadership, in a vote to be taken at Labor's annual conference in October, by hard-liner Tony Benn. Although Mr. Kinnoch is certain to win, the leadership campaign has focused press and public attention on an internal battle that his supporters would prefer be fought in private.

Kinnoch aides said that Mr. Davies' resignation, and the way he announced it, would only add to Labor's problem image as a party with neither clear policies nor a unified, competent leadership.

Mr. Davies is not considered a member of Labor's far left, and his distress was presumed to be more a reflection of his uneasy relationship with Mr. Kinnoch than his personal belief on nuclear policy.

Questioned Tuesday by reporters as he left his London home, Mr. Kinnoch said he was "very surprised, indeed amazed," and that there was "no reason for taking a dramatic action of this kind."

## Jordan-Singapore Ties Seen

Agence France-Press

AMMAN — Jordan and Singapore have decided to establish diplomatic ties at the nonresident ambassadorial level, a Jordanian source said Tuesday.

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كندا، لاهور

PUBLICATION JUDICIAIRE

CONTREFAÇON ET USAGE ILLICITE DE LA MARQUE "CHANEL" DE LA SOCIETE CHANEL

Par un jugement en date du 4 Juillet 1988, le Tribunal de Grande Instance de PARIS :

- Dit qu'en utilisant la dénomination "CHANEL" pour désigner des vêtements, la Société CABENAT a commis des actes de contrefaçon, d'usage illicite de la marque "CHANEL" n° 649 908 appartenant à la Société CHANEL.

- Fait interdiction à la Société CABENAT d'utiliser le marque "CHANEL" sous quelque forme et à quelque titre que ce soit soustraite de 2.000 F (DEUX MILLE FRANCS) par infraction constatée passé un délai de deux mois à compter de la signification du présent jugement.

- Condamne la Société CABENAT à payer à la Société CHANEL la somme de 100.000 F (CENT MILLE FRANCS) à titre de dommages-intérêts et la somme de 3.000 F (TROIS MILLE FRANCS) en application de l'article 700 du Nouveau Code de Procédure Civile.

- Autorise la Société CHANEL à faire publier le dispositif du présent jugement dans trois revues ou journaux de son choix aux frais de la Société CABENAT.

Par un arrêt en date du 15 Décembre 1987 la Cour d'Appel de PARIS :

- Confirme le jugement déferé en toutes ses dispositions.

Y ajoutant :

Dit que l'astreinte dont est assortie la mesure d'interdiction prononcée aura un caractère définitif à compter de la signification du présent arrêt.

Dit que la publication du jugement fera état de confirmation par le présent arrêt.

AMERICAN TOPICS

Off to San Francisco? Check Brakes First

The two steepest streets in San Francisco are Filbert Street and 22nd Street, each with a maximum slope of 31.5 percent, which means that for every 100 feet (30 meters) they advance, they drop or climb 31.5 feet.

On the steepest streets, parking is usually at a 90-degree angle. "Getting out on the uphill side is a strongman's feat," Jane Cross reports in The New York Times.

Most San Francisco cars need brakes replaced after 15,000 miles (24,000 kilometers), rather than the standard 25,000 miles, according to Ed Fong, a gas station manager.

Streets with a slope of more than 16 percent are paved with concrete rather than asphalt, because it is too dangerous to use 15-ton rollers on the hills.

Routing for mass transit also is determined by terrain, and the steepest streets have no service. Buses are used on moderate slopes, trolleys on steeper ones, but cable cars are the mountain goats of the system.

Alan Siegel, a transit spokesman, explained that "if you put track in, they could go up the side of buildings. It's the same principle as elevators."



BRING ON THE LAKERS — Construction workers, each furnished with 30 minutes worth of air, playing basketball in a lesson intended to teach them how stress uses up air more quickly. The course is offered by a school in Kingston, Washington, sponsored by the NW Laborers and Employees Training Trust, and trains employees in the techniques of working with hazardous materials.

Short Takes

Publishing rights to the project sequel to "Gone With the Wind," acquired by Warner Books in the United States for almost \$5 million, have already brought in almost that much in foreign sales, going for more than \$1 million in Britain and in France as well, and for exactly \$1 million in Japan, as well as for \$760,000 in West Germany,

\$100,000 in Sweden and \$50,000 in Brazil. Several other foreign offers are pending.

When Andy Wilson impersonated a policeman in Los Angeles, the police department had no complaints. Mr. Wilson, 33, said that when he spotted two men breaking into a car, they sped away. He gave chase in his own car and headed them off. Mr. Wil-

son, a kung-fu expert, had been working in the filming of "China-town Connection" as a fight-scene double for an actor playing a police officer. Mr. Wilson flashed his prop badge, and when one of the two men took a swing at him, "I put him up against the car." Then persuaded, the two returned with him to the scene of the crime, where genuine police officers were waiting to arrest them.

The U.S. Defense Department has confirmed a report in the army safety center's newsletter that in the past five years, seven U.S. servicemen or dependents have been killed and 39 injured by soft-drink machines that toppled over while being rocked in attempts to dislodge beverages or change.

Arthur Higbee

J.S. Aide Sees Shift By Russia

but He Questions Depth of Support

By Don Oberdorfer

Washington Post Service

WASHINGTON — President Ronald Reagan's national security adviser has said he is convinced by his experiences at the Moscow summit meeting that "very fundamental" changes are taking place in a Soviet Union but that corresponding changes in U.S. foreign policy would be premature.

Lieutenant General Colin L. Powell, assessing the summit meeting in a speech at the annual meeting of the Atlantic Council of the United States, presented an unusually extensive list of positive shifts in Soviet internal and external policies.

At the same time, General Powell said he had two reservations. "It's not clear how wide the support is or how deep the support is for these reforms," he said Monday.

General Powell also said it was a personal view that Mr. Gorbachev was "the main force" behind the reforms and that they might be reversed if Mr. Gorbachev were removed from power.

He added, however, that the success of Mr. Gorbachev can pursue his policies, the more difficult it could be for a successor to reverse them.

Of more importance, General Powell said, he could not yet determine whether a successful Soviet democratization drive would be in the interests of the United States or U.S. allies.

"Will this more modernized, efficient Soviet Union, should it come about, really be a greater threat, a threat not just militarily, but a threat economically?" he said.

Will their political system become any more attractive to other nations?"

Or, on the other hand, he continued, might Mr. Gorbachev's policies bring a "more introspective" Soviet Union, one more concerned with economic change not for military purposes but for the betterment of Soviet society?

In the absence of reliable answers, General Powell said, the architects in Washington should "be careful; be cautious; encourage if we think it's in our national interest; hold back if we think that it's not in our national interest."

The major changes mentioned by General Powell include Soviet willingness to acknowledge failures in economic, social and some regional pursuits abroad; shifts in policy toward religion; the far-reaching changes that have been prepared for the forthcoming Soviet communist Party conference; cancellation of history examinations in elementary and high school students because textbooks are deficient; and Soviet openness toward site inspections in connection with nuclear tests and nuclear reduction treaties.

General Powell also mentioned Soviet acknowledgment of dissent; an increase in emigration; criticism of the government in the Soviet press; attempts at open political debate; and the withdrawal of Soviet troops from Afghanistan.

The retreat from Afghanistan, General Powell said, "represents nothing of a significant change in Soviet attitudes toward overseas adventures."

General Powell said that Marshal Sergei F. Akhromeyev, the chief of staff of the Soviet armed forces, had said he was working to put into place the recently announced concept of "defensive sufficiency," which implies military restraint and reductions.

Marshal Akhromeyev told him that the United States should "pay careful attention" to forthcoming Soviet military exercises to gain clues to future force-structure planning, General Powell said.

General Powell said he had relied that to date, the United States had seen no changes in Soviet resources devoted to the military, or in the Soviet force structure or military modernization.

Dukakis Promises a Tough Approach to Moscow

Compiled by Our Staff From Dispatches

WASHINGTON — Governor Michael S. Dukakis of Massachusetts said Tuesday that he would take a tough, realistic approach toward the Soviet Union and maintain Western defenses if he won the presidential election in November.

Addressing the Atlantic Council of the United States, a private NATO group, Mr. Dukakis said he would abandon the strategic nuclear and space defense plans favored by the Reagan administration but would compensate by improving conventional forces.

Mr. Dukakis, the probable Democratic presidential nominee, said he would replace the space-based Strategic Defense Initiative with a "conventional defense initiative" to help defend Europe against Soviet attack.

He struck a cautious note on some themes, often stressing continuity with President Ronald Reagan's foreign policy. But he assailed Mr. Reagan's stance on South Africa and Central America.

Mr. Dukakis said he wanted the United States to lead the world in imposing sanctions on Pretoria, and he pledged much closer cooperation with Latin American democracies.

He praised Mr. Reagan for making human rights a major theme of the U.S.-Soviet summit meeting in Moscow and for securing a treaty with the Soviet Union on eliminating the superpowers' medium- and shorter-range nuclear missiles.

"There are some who suggest that our commitment to NATO will somehow weaken, that the removal of intermediate- and shorter-range missiles will lead to a

change in American attitudes or a lessening of American resolve," he said. "I don't buy that at all."

He continued, "Our commitment in Europe goes far beyond a few hundred missiles. Europe's security is vital to our security."

"NATO has worked for 40 years," Mr. Dukakis said. "It can work for 40 more."

"We must take a tough and steady and realistic approach to the Soviet Union," he said. "We must have a coordinated plan for reversing the nuclear arms race and for making deep and mutual and verifiable cuts in strategic arms."

Mr. Dukakis said the Warsaw Pact should make bigger cuts than NATO in conventional forces in Europe because it enjoyed an enormous advantage in tanks and heavy artillery.

He said if he were elected his administration would make it clear to the Soviet Union that improved economic relations depended on liberalizing emigration and observing the 1975 Helsinki accords on human rights.

"We will continue to have fundamental differences with the Soviet Union," he said. "We will continue to need strong and unified alliances. We must continue to be prepared."

Mr. Dukakis underlined his deep differences with some aspects of Mr. Reagan's policy by saying the United States did not need SDI and should not invest in railroad-based MX missiles.

He has spoken repeatedly against such new weapons systems, and backed improving conventional U.S. defenses.

Mr. Dukakis said that while he did not rule out modernizing U.S. strategic nuclear systems, the current program would not be able to increase military spending in real terms and so would face tough budget choices.

"We don't need MX missiles running around on railroad cars," he said. "We need an anti-tank weapon that can stop Soviet tanks."

He denounced South Africa, accusing it of "committing naked aggression against its neighbors." He said he wanted the United States to "lead international sanctions against South Africa."

Asked by Representative Dave McCurdy, Democrat of Oklahoma, if he agreed with his own representatives to the Democratic platform drafting committee that South Africa should be branded a "terrorist" state, Mr. Dukakis said, "I tend to resist labels generally because I don't know exactly what they mean."

(Reuters, AP)

Italians Choose Site for 72 F-16s Evicted by Spain

Washington Post Service

WASHINGTON — Italian military authorities have chosen a military airport at Crotona in southern Italy as the new base for the 72 F-16 fighter-bombers that Spain is evicting from the Torrejón air base outside Madrid, visiting Prime Minister Ciriaco De Mita of Italy said Tuesday.

Speaking to Washington Post editors and reporters, Mr. De Mita said the decision on a site for the U.S. Air Force's 401st Tactical Fighter Wing was made Monday. He predicted there would be little opposition to the decision, from local officials or parliament.

The prime minister called the Italian decision to accept the planes "a policy for peace" that would help guarantee continued "military equilibrium" between the North Atlantic Treaty Organization and Warsaw Pact forces in Europe.

President Ronald Reagan said the decision was "typical of Italy's serious approach toward its alliance commitments." He said, "Its willingness to do its part, to share the risks and responsibilities as well as the benefits of NATO membership is exemplary."

Fence-Mending by Bush and Dole Fuels Talk of Vice Presidential Offer

By David Hoffman

Washington Post Service

WASHINGTON — Once bitter antagonists, Vice President George Bush and Bob Dole, the Senate minority leader, have begun a rapprochement that many in the Republican Party say could pave the way for a Bush-Dole ticket this autumn if the vice president is willing to pick his former rival as his running-mate.

Mr. Dole has spoken up recently for Mr. Bush and against the likely Democratic presidential nominee, Governor Michael S. Dukakis of Massachusetts, at 13 state Republican conventions.

Mr. Dole withdrew from the race for the Republican presidential nomination in March.

According to campaign sources and Dole aides, the senator worked into his remarks "talking points" about Mr. Dukakis that were provided by the Bush campaign.

The vice president's political aides then monitored the Dole speeches and sent back positive reports, the sources said. After Mr. Dole spoke at the Mississippi con-

vention, Mr. Bush thanked him with a personal note.

A second personal note from Mr. Bush arrived last week, thanking Mr. Dole for a news release issued the day after the California primary in which the senator attacked Mr. Dukakis for advocating "the same out-of-touch liberal agenda that America buried in the 1980 and 1984 land-slides."

Sources close to the vice president say that Mr. Dole had indicated privately he would be willing to accept the vice presidential nomination if it were offered.

One reason for the speculation is public opinion surveys showing that Mr. Bush is lagging behind Mr. Dukakis, but that Mr. Dole on the ticket would give the vice president a boost.

Those in the party who are attracted to the idea of a Bush-Dole ticket say one big advantage is Mr. Dole's strength in the farm states of the Midwest.

■ Dukakis Foe Aids Bush Edward J. King, who turned Mr. Dukakis out of the Massachusetts statehouse in 1978 but lost an acrimonious rematch four years later,

has become a speaker for the Bush campaign. The Associated Press reported from Boston.

Mr. King defeated Mr. Dukakis in a Democratic primary for governor in 1978, but Mr. Dukakis won the rematch in 1982.

Mr. King, 63, is now engaged in real estate development in southern California. He returned to Boston last month to try out the themes he intends to use against Mr. Dukakis in speeches planned for Virginia, Texas and California. The Bush campaign will pay his expenses.

Mr. King mocked Mr. Dukakis's claim to the "Massachusetts miracle" that has pushed unemployment in that state below 3 percent.

"I don't think it's based on facts," he said, predicting that a Dukakis presidency would produce "an ever-expanding, more costly government, more regulation, more taxes."

An avowed conservative, Mr. King took office in January 1979, claiming a mandate to cut taxes, get government off the back of business and put welfare recipients to work. After leaving office, he switched his registration to the Republican Party.

Advertisement for Gribble gin. Text: "THERE'S ONLY ONE GIN FOR THE WELL-INFORMED." Image of a bottle of Gribble gin and a glass.

Advertisement for Movado Museum Watch. Text: "The Movado Museum Watch: A pure expression of time as art." Image of a watch face.



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INTERNATIONAL Herald Tribune

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Socialists, Not Socialism

France's voters greatly like their president, François Mitterrand, but they evidently have some doubts about his Socialist Party.

party that provides, in the German view, a reassuring guarantee against hubris and excess.

Latin Pressure Needed

It is discouraging but scarcely surprising that peace talks between Sandinistas and contras collapsed amid mutual recriminations last week in Managua.

leased in five days, or no deal; and instant demobilization of Sandinist forces.

Other Comment

Mitterrand on the High Wire
The initial reaction to the decisive round of the National Assembly elections on Sunday was that the president and his Socialists had suffered an embarrassing defeat.

predecessor, the divisive Jacques Chirac. Nowhere have the results of Mr. Chirac's manipulations been more negative than in the Pacific, where relations with regional powers such as Australia and New Zealand have declined dramatically.

Reagan Can Still Help
The imbroglio in Nicaragua points up once more the folly of those international statesmen who jump into a situation without adequate consideration to the consequences of failure.

Proceedings at the OPEC conference in Vienna indicate that the group is not likely to bolster its credibility on the world oil market.

Thirty years since de Gaulle created the Fifth Republic, restoring political stability to France, the nation has returned to the politics of uncertainty and risk.

Proceedings at the OPEC conference in Vienna indicate that the group is not likely to bolster its credibility on the world oil market.

France's trend seems to be toward the center. If the electorate has sent a clear message to the politicians, it is that voters are nervous about left-right confrontation.

Researcher who want to pad their résumés with long lists of mediocre articles can easily evade the present quality control system.

Secretary Shultz Is Right to Keep Trying

By Philip Geyelin

WASHINGTON — Like somebody hitting himself over the head with a hammer because it feels good when he stops, George Shultz has become a figure of fun in some circles with his dogged effort to jump-start a "peace process" in the Middle East.

have to be nuclear to present the threat of slaughter and devastation on an apocalyptic scale. The Arab states, it was agreed, are probably five or 10 years behind Israel in nuclear capability.

ing nuclear nonproliferation for the have-nots of the developing world while building ever more sophisticated nuclear weapons of their own — all in the interest of "deterrence."



Traditional Trade Talks Won't Change Japan

By Clyde V. Prestowitz Jr.

WASHINGTON — Free-traders like to pose a simple question: If Japan is willing to send high-quality goods at low, even money-losing prices, why shouldn't America just say "Thank you very much" and enjoy the deal?

the bill deals only with the most superficial aspects of the extraordinary divergence between the conventional wisdom in America about appropriate trade policy and the way such matters are viewed in the prospering trade-surplus countries of Asia.

Americans mean by "trying hard." Americans will never understand this. Then there is the question of foreign investment. U.S. economists argue that it can only strengthen the economy and should be welcomed.

Science Could Do Better At Admitting Mistakes

By Nicholas Wade

NEW YORK — Strangled sounds have been emerging from America's community of academic scientists. They are the noise of errors that no one wants to correct.

days, many in leading journals. Instead of questioning his remarkable productivity, his colleagues happily shared in the credit by letting him add their names to these works.

One industry analyst told me: "Foreign competitors could not easily enter our market. Now we have cut our costs by 30 percent over the past two years and we are aiming for another 20 percent. We will be able to compete with the yen at 90 to the dollar."

The writer, a former counselor for Japan affairs to the U.S. secretary of commerce, is a senior associate at the Carnegie Endowment and author of "Trading Places: How We Allowed Japan to Take the Lead." He contributed this comment to The Washington Post.

1888: Frederick Failing
POTSDAM — The Emperor was still alive at 11:30 P.M. [on June 13]. No one has been allowed to enter or to leave the palace, which is surrounded by sentries.

1913: Disquieting Noise
NEW YORK — [The Herald says:] It has been said that the most costly luxuries in New York are light and air, but there is another luxury more costly than either and already as scarce as the terrapin. That luxury is

1938: Thousands Drown
SHANGHAI — Five thousand Japanese soldiers, according to Chinese reports, have been drowned in the Yellow River floods, caused by the blasting of dykes by the Chinese in the battle area along the Luanghai railway in the last few days. Japanese troops in the area have given up fighting and are working day and night in a desperate effort to close the numerous gaps in the dykes. The Chinese reports state, although these emergency repairs appear hopelessly inadequate.

Many Want American Leadership

By Obaid ul Haq

SINGAPORE — The marked decline in open hostility between Washington and Moscow will be an important legacy of the Reagan administration. But while U.S.-Soviet relations are improving, there has been no corresponding change in U.S. relations with many developing countries of Africa, Asia and Latin America.

These assumptions are flawed and dangerous. Despite anti-American rhetoric and denunciations of Washington in some countries, the United States enjoys enormous prestige and goodwill in a large number of developing nations.

Two issues that touch the central nerve of U.S. relations with the Third World need prompt and serious attention by the next administration in Washington. They are the Middle East and South Africa.

The United States occupies a unique place in the comity of nations. It has been the main architect of the international order constructed at the end of World War II.

100, 75 AND 50 YEARS AGO

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Handwritten signature: Joy Uolisa

OPINION

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Many Americans... The Inquisition of Dukakis by a Vigilante of Orthodoxy

By Edwin M. Yoder Jr.

WASHINGTON — An "open letter to Gov. Michael Dukakis from a Greek Orthodox layman" has been circulating here, and no doubt elsewhere, for some time now.

Just Sign Here...

A small group of fundamentalist Christians are prepared to argue that Mikhail Gorbachev is the Antichrist, the devil's agent on earth.



A Cold War Victim Guilty of Doing His Job

By Ferdinand Protzman

FRANKFURT — Hardly anyone noticed when Samuel L. Wahrhaftig died of cancer on May 20 in a hospital in the Frankfurt suburb of Königstein.

Democratic Union, the Social Democratic Party and other anti-Communist parties. Mayor Reuter provided staunch support.

LETTERS TO THE EDITOR

It's Simple: Work Harder

Regarding "Japan: A Major Power to Be Addressed Broadly" (Opinion, June 9):

Henry Kissinger's and Cyrus Vance's objective assessment of the causes of Japan's "privileged, but also precarious, position" boils down to this: superior competitiveness.

Serious Talk About Mars

The New York Times editorial "Out to Mars Together" (May 31) is provocative and timely.

A colloquium is being planned under the auspices of the Wright Science Colloquium: "The Voyage to Mars" will be the topic from Sept. 12 to 16 at the University of Geneva.

Fischer's Opening Game

Alecia Mackenzie's "Chess Enters the 'Big Money League'" (May 19) was most timely in pointing out how chess has become a promotable, big-money sport.

However, one should not ignore Bobby Fischer, who created modern chess by insisting on proper playing conditions and reasonable prize money.

A Maturing Europe

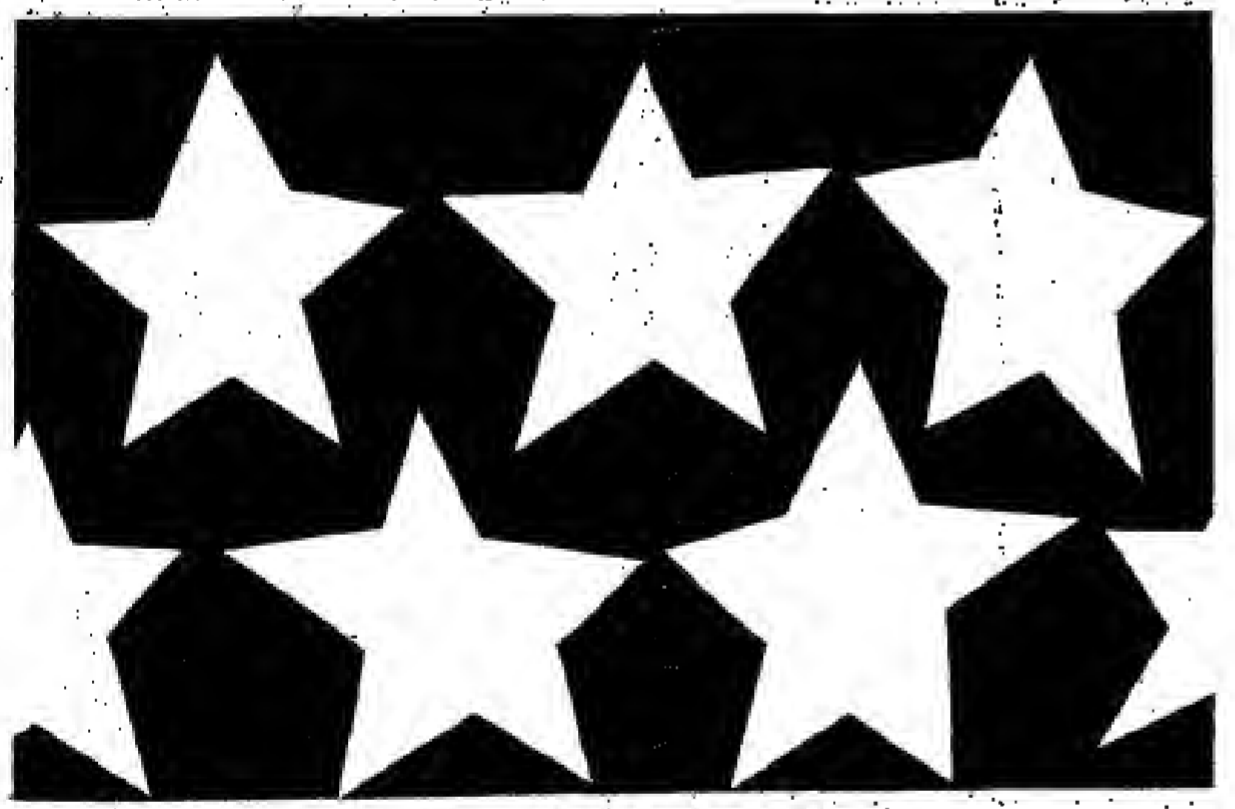
Regarding the opinion column "All Quiet, They Say, on the Mitteleuropa Front" (May 30) by John Vitoaur:

It is indeed quiet in Mitteleuropa, as there is no front anymore, cold or hot. People know too much about one another to accept abstract confrontation.

Underground Financing

Professor Nathan Glazer of Harvard (American Topics, June 8) asks why it is that the subways in London and Paris are in constant expansion while the New York subway stops at the city limits.

Mr. Wahrhaftig ought back traveling to Germany at his own expense to collect affidavits from leaders of the Christian



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# Close to the DMZ, A Peaceful Protest

By Peter Maass  
*Washington Post Service*  
IMJINGAK, South Korea — About 1,000 students held a peaceful protest Tuesday on the edge of the border with North Korea, calling for the withdrawal of all U.S. troops and the reunification of their homeland.

The protest marked the first time that the South Korean government permitted a sizable demonstration so close to the Demilitarized Zone, which is about three miles (4.8 kilometers) from Imjingak, the last civilian outpost on the road from Seoul to the border.

The rally also represented the first peaceful student protest since a rash of violent clashes broke out last week when more than 10,000 militants battled with riot police who blocked a march to the border village of Panmunjom for unauthorized talks with North Korean students.

After last week's high-profile protests, it is difficult to predict what tactics will be adopted by either the government or the militant students on the issue of reunification. But many observers say there are tentative signs that both sides may now be trying to avoid serious confrontation.

The government's decision to permit the rally at such a sensitive spot, coupled with the students' peaceful behavior, appear to constitute evidence of changed attitudes.

Local newspapers reported Tuesday that President Roh Tae

Woo is trying to arrange North-South student exchanges before Aug. 15, the date the militants have set for another attempt at marching to Panmunjom for talks.

The government opposes such talks, because it insists contacts with the Communist North be conducted through official channels. It fears that Pyongyang may manipulate unofficial contacts to embarrass Mr. Roh or cause instability in Seoul, where the Summer Olympics are to be held in September. Pyongyang plans to boycott the Games.

Although it is hard to judge the intentions of the militant students, there are signs that their agitation is tapering off amid their failure to gain support from moderate students or from the middle class.

There were only minor clashes over the weekend, while Monday, a small band of militants in the city of Taegu threw several firebombs and tear-gas grenades at a U.S. Information Service office.

End-of-year examinations are getting under way at most universities. In a country where a premium is placed on academic performance, the exams may cut into the militants' manpower while reducing the tolerance of moderate students.

At Yonsei University, scene of the worst clashes last week, most of the protest banners have been taken down, and although the tear gas still lingers at the entrance gates, the sight of militants battling police has been replaced by intent students streaming onto campus.



**AQUINO URGES ECONOMIC LIBERATION** — President Corazon C. Aquino of the Philippines said Tuesday in Geneva she was resolved to wipe out the Communist insurrection and that her country's "next liberation must be economic." In a speech to the International Labor Organization, she called for a fair solution to the problem of foreign debt.

# Lebanese Are the Forgotten 'Hostages'

By Lara Mariowe  
*Special to the Herald Tribune*  
BEIRUT — While international attention has focused on the Western hostages held in Beirut, the fate of Lebanon's "other hostages" has been largely forgotten.

More than 20,000 Lebanese civilians have been kidnapped since the civil war began 13 years ago, according to an unofficial estimate by the International Red Cross.

Many have been released or exchanged; still more have been murdered. Several thousand are believed to be held, either by families hoping to trade hostages for their loved ones or in the jails of the militias.

The Lebanese have grown used to the fact that Western journalists have concentrated on the foreign hostages, which number at least 15. Terry Waite, the Church of England's special envoy, who was himself to be kidnapped in January 1987, vainly tried to draw attention to the plight of thousands of Lebanese held hostage by their own people.

The fate of at least four foreigners — three American professors and an Indian professor kidnapped from Beirut University College in January 1987 — has been linked to that of up to 300 civilians held in Khiam prison in the Israeli "security zone" of southern Lebanon. The pro-Iranian Islamic Jihad for the Liberation of Palestine has repeatedly demanded their release in exchange for the four professors.

The most recent kidnappings took place last month during the Amal-Hezbollah fighting in the southern suburbs of Beirut, when dozens of Shiite civilians vanished.

Apart from Hezbollah, Moslem sources in West Beirut say Syrian intelligence is also picking up civilians. Most are Palestinians who are taken to the Syrian headquarters at the Beau Rivage hotel and on to prisons in Damascus.

Iran has played an important role in the kidnapping of Americans and other Westerners. A source in Moslem West Beirut said that one of the men who kidnapped Lieutenant Colonel William R. Higgins of the United States last February was an Iranian diplomat.

And there is a growing Iranian population in Lebanon, a country described this week by Sheikh Mohammed Hussein Fadlallah, the spiritual leader of Hezbollah, as "a lung through which Iran breathes." Now, someone, probably the Christian Phalangists, has struck back at Iran's involvement. The disappearance of up to 166 Iranians who had ventured over Beirut's Green Line to catch the boat to Cyprus from the Christian port of Jounieh was reported this week.

Also this week, the Hezbollah, or Party of God, exchanged three Christian hostages for a Shiite Moslem.

Hostage-taking in Lebanon goes back to the Crusades. But "Black Saturday," Dec. 6, 1975, started an unprecedented cycle of hutebery and kidnapping. When four dead Christians were found in a car in Christian East Beirut, Bashir Gemayel, the commander of the Phalangist militia, called for revenge.

While their families watched helplessly. When word got back to West Beirut, Moslem gunmen put up checkpoints and killed Christian motorists.

It was in the aftermath of Black Saturday that the husband of Leila, a Shiite woman, disappeared from the military base at Jounieh, where he worked as a carpenter. Leila, who did not want her last name to be used, spent two frantic days looking for him. "I hate them, I hate them so much," she says of the *Kataniyeh*, or Phalangist, whom she blames for her husband's disappearance.

Arwar Khalifeh, 31, Mona Doughtan, 23, and Jamal Makhluf, 30, are attractive, middle-class Moslem women. They were kidnapped two and a half years ago from a Hamra Street bookshop, where they were encouraging the owner to join a general strike against militia rule.

The women were taken to an underground garage, where they were blindfolded and forced to kneel while their hair was cut off. "We were interrogated at gunpoint, slapped, beaten with rifle butts and threatened with execution," Ms. Doughtan said. Then they were thrown into a pit.

Before dawn, the women were taken to a militia barracks. Political and religious leaders, particularly Sheikh Hassan Khaled, the Sunni grand mufti, mobilized so much opposition to their kidnapping that the women were released after two days.

At the request of the grand mufti, Sheikh Khalidoun Ormnet keeps a register of over 3,000 kidnapping victims at the Dar al-Farwa, the

Sunni religious center in West Beirut. Sheikh Ormnet believes many of those registered died in revenge killings after Bashir Gemayel's assassination in 1982.

During the militia wars of 1987, Dar al-Farwa officials helped secure the release between 4,000 and 5,000 kidnapping victims. Sometimes buses were exchanged in one day.

A total of 32 hostages were released by the Phalangists last year. "The Lebanese Forces say have no one left in their prison," Sheikh Ormnet said, referring to Phalangist jails. "We believe might have more."

Sheikh Ormnet makes the role of militia and party offices. 3 times it pays off, so when he asked to East Beirut in religious to take a 13-year-old boy in Phalangist prison. "When he me, he started to cry. He could believe he was being set free."

**3 Children Kidnapped**  
The three children of a we Sunni Moslem businessman kidnapped on Tuesday as they being driven to school in West Beirut, The Associated Press reported.

The unidentified kidnapper ducted Zuhair Ariss' daug Dounia, 14, and two sons, 9-year Samer and 5-year-old Ramzi parently seeking ransom, p said.

# U.S. Health Institute Produces Mice That Can Contract AIDS

By Michael Specter  
*Washington Post Service*  
STOCKHOLM — U.S. scientists reported Tuesday having bred mice infected with the AIDS virus that have developed a disease almost identical to the human form of AIDS.

The mice are the first animals other than humans to become sick after infection with HIV, the virus that causes acquired immune deficiency syndrome.

The research promises major insights into how the virus works, according to experts in Stockholm attending a major international conference on AIDS.

"For the first time the potential exists to use mice in large-scale drug testing," said Dr. John M.

Leonard of the National Institutes of Health, who reported the findings. "We are still not at that point, but the results are very exciting."

Until now, scientists had been able only to infect chimpanzees with HIV, but the animals are rare and expensive and the virus has never made them sick. A small animal model could overcome many major barriers to research.

**A Promising Treatment**  
Lawrence K. Altman of The New York Times reported earlier from Stockholm.

A report of a promising treatment and puzzling data on heterosexual transmission were among findings presented Monday, the first full day of the conference.

Imreg Inc., a small biotechnology company based in New Orleans, announced that one of its drugs had reduced the risk of developing AIDS when administered in a clinical trial to patients with AIDS-related symptoms.

In other reports, scientists from six countries reported evidence that individual differences in ability to transmit or receive the virus may be more important than the frequency of sexual contacts in the spread of the disease among heterosexuals.

In a two-page report, Imreg said that, in a six-month study, its drug, Imreg-1, had "significantly diminished" the likelihood that a group of patients suffering from AIDS-related complex, a precursor of AIDS, would progress to symp-

oms of the full-fledged disease. The chairman of a scientific panel convened by the company to evaluate the trial, Dr. Edwin D. Kilbourne, called the results "encouraging." But Dr. Kilbourne, a microbiologist at Mount Sinai Medical Center in New York, added that "further work must be done" because the trial was "highly preliminary."

Imreg said the drug, derived from human blood cells, did not directly attack the AIDS virus but improved the functioning of the immune system.

The reports on puzzling patterns in the heterosexual spread of AIDS found marked individual variations in the likelihood that the virus

would be transmitted through heterosexual intercourse. The findings came from separate studies by researchers in the United States, Belgium, Canada, Kenya, Sweden and West Germany.

They raised, but did not answer, questions about possible differences in strains of the virus and possible differences among individuals in their ability to transmit or become infected with the virus in sexual intercourse.

In a report from the University of California at Berkeley, Dr. Nancy Padian said, "There is clear evidence that some people can transmit or acquire HIV with only a few contacts and that for others transmission is difficult to impossible despite repeated contacts."

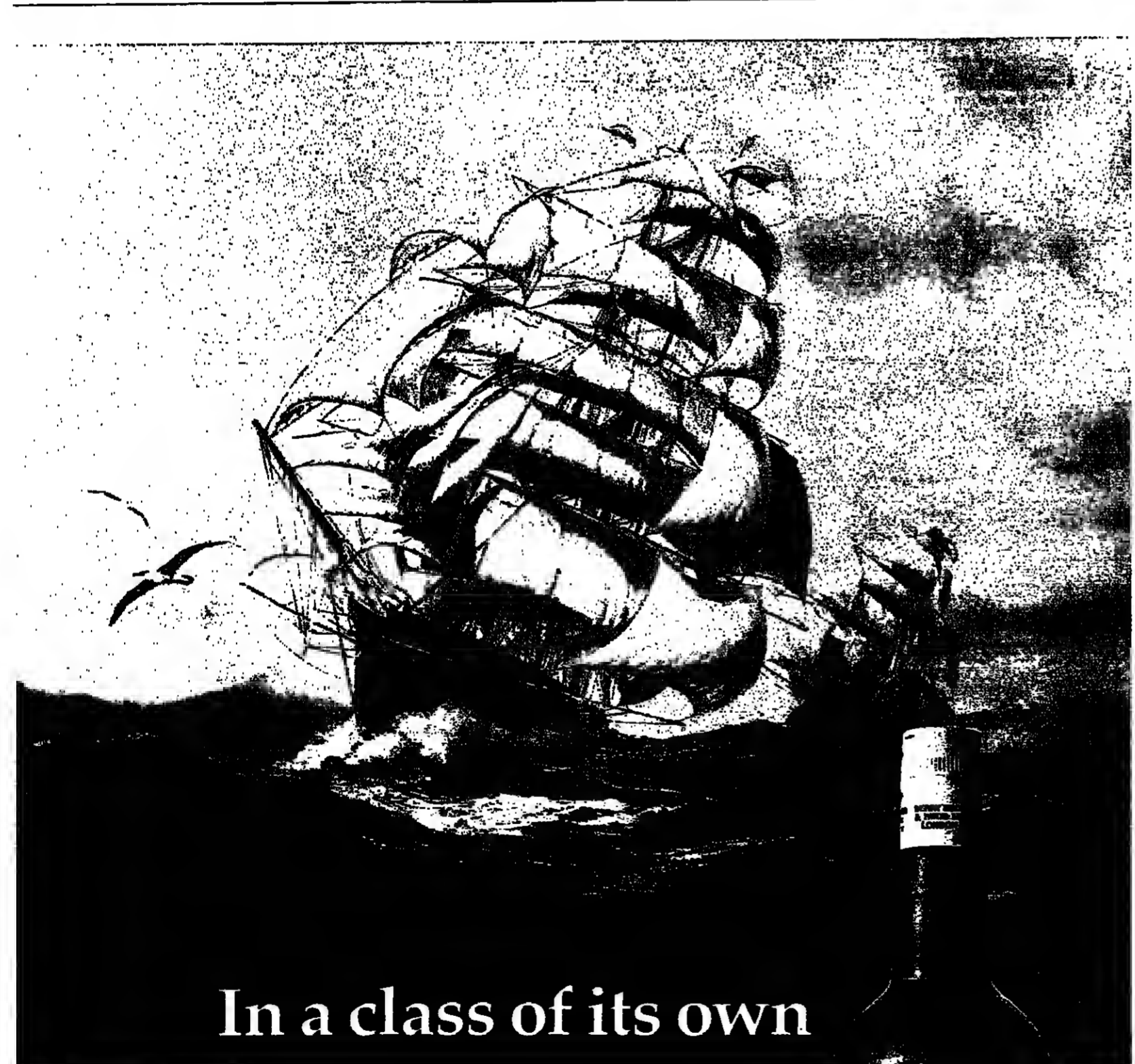
Dr. Padian, an epidemiologist, based her statement on a study of female sexual partners of infected men. Some became infected after fewer than a hundred exposures while others did not become virus carriers after a thousand or more sexual contacts.

Dr. Padian said she and other researchers planned to study possible differences in strains of the virus, the amount of virus detectable in the patients, and the susceptibility of their body cells to invasion by the virus.

In another study, from the Institute of Tropical Medicine in Antwerp, Belgium, Dr. Marie Laga said her team showed a high transmission rate of AIDS virus infection among sex partners of African and European virus carriers.

Dr. Laga's team said an advance stage of AIDS and a low count of T-4 lymphocytes, a kind of white blood cell that the AIDS virus kills, "markedly enhance the infectiousness of sexual intercourse." The increased risk was independent of the length of the sexual relationship.

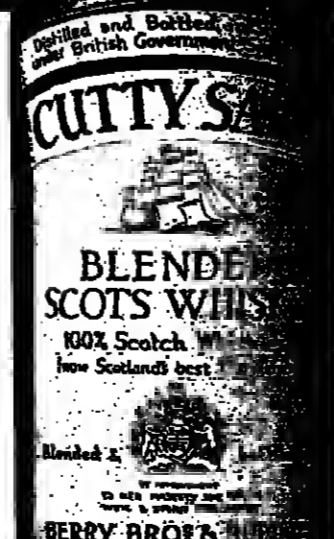
In a study from the Universities of Manitoba in Canada and Nairobi in Kenya, Dr. D.W. Cameron reported on men who consorted with prostitutes in Nairobi, 85 percent of whom carried the AIDS virus. They found that men who were not circumcised or who had genital ulcers from venereal diseases were significantly more likely than other men to become infected with the virus.



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كوتاي سارك

# 3 Pakistanis Killed In Afghan Shelling

**ISLAMABAD** — Troops of Afghanistan and Pakistan exchanged rocket and artillery fire Tuesday near a border town, killing at least three Pakistani civilians and wounding 10, officials said here.

The shelling came just hours after the Soviet leader, Mikhail S. Gorbachev, threatened to retaliate against alleged violations of peace pacts, under which Pakistan had agreed to stop aiding rebels in the Afghan war.

Soviet-backed Afghan forces fired about 20 artillery shells or rockets on Monday night on a village near the Pakistan town of Chaman, 96 kilometers (60 miles) northwest of Quetta, officials said.

The Afghan troops resumed attacks early Tuesday, firing five rockets. About two hours later, they fired artillery shells.

Pakistani border security forces established with artillery and tank fire, the sources said.

Pakistani Foreign Ministry officials said Islamabad had lodged a strong protest to Kabul, denouncing the incident and asserting that it had been started by Afghans.

On Monday, Mr. Gorbachev said it would be "necessary to undertake the most resolute retaliatory steps" if the United Nations failed to take effective measures to stop Pakistan from aiding the rebels.

Afghanistan and Pakistan signed a joint UN-mediated accord in April 15, which initiated the first stage of a gradual Soviet withdrawal of its troops in Afghanistan and which obligated Pakistan to all interference.

The sources in Quetta said that Afghan forces appeared to be trying to flush out guerrilla strongholds along the border. They said firing was concentrated near the Afghan town of Spin Buldak, where heavy fighting has been underway for two weeks.

The area is southwest of Kandahar, Afghanistan's second biggest

Western diplomatic sources said in Islamabad on Tuesday that Soviet troops were reported to delay their withdrawal from Kandahar after the military situation there deteriorated.

Moscow may send in troops from other Afghan cities to reinforce Kandahar, the sources said.

**Afghan General Dead**

The chief of staff of the Afghan Air Force was killed last week in fighting at Kandahar, Agence France-Press reported from Islamabad on Tuesday, quoting Western diplomatic sources.

Major General Mohammad Aziz Sarwazi died in action June 6, they said, adding that the Kabul authorities had reported the general died of natural causes.

By Bill Keller  
*New York Times Service*

**MOSCOW** — When Private Konstantin V. Metelkov of the Soviet Army was freed after eight months in the hands of Afghan guerrillas, he returned to a traditional Soviet prisoner-of-war homecoming.

The military prosecutor opened a criminal case against him as a deserter.

On Monday, Private Metelkov and four other returned POWs from the war in Afghanistan stood nervously before a crowd of Soviet reporters and heard a major general proclaim their heroes.

The public embrace of the POWs, still a subject shrouded in secrecy and suspicion, is the latest chapter in this country's tortuous reckoning with the eight-year war it is now abandoning.

Monday's news conference was organized by the weekly Literaturnaya Gazeta, which has started an unusual crusade to honor the POWs and to re-examine the cases of soldiers charged with collaborating with captives.

The Defense Ministry agreed to take part in the news conference as a way to draw attention to 311 Soviet soldiers still unaccounted for, many of whom are said to be in custody of Afghan guerrillas in Pakistan.

Some of them presumably fear the reception they might get in the Soviet Union, where returning captives from World War II were routinely shot or exiled to Siberian labor camps.

Major General Valentin P. Kurobotov, deputy head of the political department of the Soviet armed forces, said at the newspaper's office Monday that POWs are warned in captivity that if they return home they will be prosecuted if they return home

he grew homesick and returned from his haven in the United States.

Western human rights groups said Mr. Ryzhkov had received assurances from Anatoli F. Dobrynin, then Soviet ambassador in Washington and now a top foreign policy official for the Communist Party, that he would not be prosecuted.

Editors of Literaturnaya Gazeta said Monday that the newspaper has been looking into the case and is pressing for clemency.

"We hope his case will be reconsidered," said Oleg Prodkov, a member of the newspaper's editorial board.

Mr. Prodkov said forgiveness toward POWs who bowed to enemy pressure was a necessary part of national healing after the war and a sign of a more humane Soviet system.

The Soviet press, even as it has begun to more openly discuss the war in Afghanistan and the plight of returning veterans, has shied from the question of POWs.

The issue is sensitive in part because an unknown number of Soviet soldiers have deserted and collaborated with the Afghan guerrillas. Among them, Nikolai Ryzhkov, was convicted of treason and sentenced to 12 years in a Soviet labor camp in 1986 after

described the pressure from guerrillas to assist the opposition.

Private Metelkov, 22, a construction worker from the city of Gorky who served as an anti-aircraft gunner, said he and several companions were disarmed by guerrillas in a mountain pass near Kandahar and moved to a training camp near Peshawar in Pakistan.

## U.S. Is Said to Reduce Afghan Role

By Jonathan C. Randal  
*Washington Post Service*

**PESHAWAR, Pakistan** — Western diplomats and Afghan rebel leaders say they fear that the Reagan administration is unwilling to involve itself in the future of Afghanistan now that Soviet troops have begun withdrawing, and that Washington has abdicated Afghan policy-making to Pakistan.

The result, they say, may be bloodshed among anti-Communist guerrillas and the takeover of a future Afghan government by an anti-Western Islamic fundamentalist.

In interviews in the Pakistani capital of Islamabad and in this political center of the Afghan resistance, the diplomats, relief workers and Afghan politicians expressed dismay at what they said was Washington's apparent surrender of policy-making to the government of President Mohammed Zia ul-Haq of Pakistan.

General Zia is viewed as bent on establishing a pan-Islamic government in Afghanistan.

Speaking of the future balance of power in the region, a European with long experience in the Indian subcontinent and Afghanistan said, "There simply is no independent American policy in a situation where events over the next nine months look to be crucial.

"No one can explain why a superpower with

such influence and resources would abdicate responsibility to steer events."

The European, stating a widely held view among the sources in Pakistan, said that the United States should intervene to avoid a civil war among guerrilla organizations. He said Washington has significant influence in Pakistan by virtue of the \$4.1 billion in aid it has promised Islamabad over a six-year period.

The sources repeatedly cited the perception that Washington had acquiesced in General Zia's alleged favoritism toward the Hezb-i Islami organization, led by Gulbuddin Hekmatyar, the spokesman of the seven-group rebel coalition.

Mr. Hekmatyar appears an odd guerrilla leader for Washington to champion; he is an outspoken critic of the United States and a fierce Islamic fundamentalist.

Before the Soviet forces began their evacuation last month, U.S. policy-makers and the guerrilla leaders said that the guerrillas were too dependent on Pakistan's willingness to funnel U.S. aid to the rebels, known as mujahidin. They also feared alienating General Zia by complaining about his support of Mr. Hekmatyar.

In Washington, a U.S. official said the administration was considering the appointment of a diplomat to Pakistan to deal exclusively with the alliance leaders and rebel commanders.

organized by the weekly Literaturnaya Gazeta, which has started an unusual crusade to honor the POWs and to re-examine the cases of soldiers charged with collaborating with captives.

The Defense Ministry agreed to take part in the news conference as a way to draw attention to 311 Soviet soldiers still unaccounted for, many of whom are said to be in custody of Afghan guerrillas in Pakistan.

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## Iraq Regains Lost Area, Iranians Attack Tanker

**MANAMA, Bahrain** — Iraq declared Tuesday that it had inflicted its third battlefield defeat on Iran within two months, halting an offensive along the southern border.

The Iraqi statement came as Iran said its gubeats against Gulf shipping for the third time in four days.

Iraq said that its forces had re-buffed an Iranian assault after nearly a full day of fighting in stinging heat at the Buiyan and Kut Suwadi border posts, in the Salameh district southeast of the port city of Basra.

In its version of the battle, Iran said its troops had killed or wounded more than 16,000 Iraqis and destroyed equipment.

As Iraqi troops dug in Tuesday around the captured positions, three Iranian gubeats attacked a Singapore-flag tanker, the Neptune Subaru, with rocket-propelled grenades in the northern Gulf.

Western diplomatic sources said

that Iraq's swift recapture of the territory lost to Iran on Monday was "another blow to Iranian prestige."

"Iran was trying to show it was still capable of mounting a serious assault against Iraq," a Gulf-based military source said.

"The Iranian assault seemed to have gone well in its early stages, but rapidly ran out of steam," he added. "They don't seem to have attacked in depth and were unable to keep up the momentum."

Other sources said they doubted that the reported Iraqi victory would affect the position of Hashem al-Rafiqani, the speaker of parliament who was appointed on June 2 as acting commander of Iran's armed forces.

He was thrust into the military command to streamline and unify the armed forces after a succession of battlefield reverses in the war with Iraq, now nearly eight years old.

described the pressure from guerrillas to assist the opposition.

Private Metelkov, 22, a construction worker from the city of Gorky who served as an anti-aircraft gunner, said he and several companions were disarmed by guerrillas in a mountain pass near Kandahar and moved to a training camp near Peshawar in Pakistan.

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ARTS / LEISURE

Wendy Hiller Poetic in 'Daisy'

By Sheridan Morley
LONDON — Though the play does seem a bit fragile and sketchy to have won the Pulitzer...



Wendy Hiller as Alfred Ury's Miss Daisy.

THE LONDON STAGE
quarter of a century from 1948, with occasional and muted hints of an outside world where...

But rather more successfully than Frances Sternhagen, who played the role off-Broadway...

Directed by Chris Bond, who wrote the work on which Stephen Sondheim built his 'Sweeney...

money running out and the police still hot on their trail.

Sid and his wife and a former ally are now faced with all manner of violence and treachery in a plot by David Barry and a score by Dave Watts and Andrew Birtles.

Though the Royal Shakespeare Company in London is still vastly stronger than the one currently at the Stratford home base...

Tourneur's Jacobean melodrama is not one that benefits from being seen up too close...

At the Bush, Sharman MacDonald's 'The Brave' is a disappointing successor to her long-running 'When I Was a Girl'...

The setting is Algeria but the 'brave' of the title is evidently Scotland itself...

Unfortunately, one of two Scots sisters, Eleanor David, has at the outset managed to kill an Algerian who may or may not have been trying to rape her...

Maurice Reeves is in strong form as an old Gorbals romantic, and Kate Lynn-Evans is impressive as the older revolutionary sister...

Notes on the 'Bird' Sound Track

By Mike Zwerin
International Herald Tribune

PARIS — Charlie Parker changed the lives of many people who have come into positions of power in the last decade.

Like Bartok or Hemingway, Bird's language has become so pervasive it is hard to separate him from the clichés he spawned.

Any attempt at analysis or historical perspective misses the point because what turned the point around in the first place was his ability to plunge into improvisation with such organic force...

Shallowness was not one of his problems. This comes through in Clint Eastwood's film 'Bird'.

Sound engineers isolated his solos and cleaned out extraneous noises and distortions and badly recorded or old-fashioned rhythm sections, leaving his recorded sound as accurate as it has ever been.

However the sound track on its own, released by CBS, raises more than quibbles. Repeated close listening becomes frustrating.

Marcia Davenport might be talking about Charlie Parker. 'His rivals considered him dangerous. He had too much genius. His music was too full of daring and novel harmony.'

This is not to deprecate Monty Alexander, Barry Harris, Walter Davis Jr., Ray Brown, Ron Carter or John Guerin, who can all be perfectly contemporary when going for it on their own.

One of his great revelations was loosening the tempo — pushing, laying back and stretching it. He was far ahead of most rhythm sections he worked with.

in 1953 for contractual reasons he is billed as 'Charlie Chan' with Bud Powell, Charles Mingus and Max Roach is an exception, and the quality backup has a lot to do with it.

'Bird' the sound track reveals a timid and slavish relationship to 'historical accuracy,' even though it was part of the problem, not the solution.

The caution and pettiness of the production contradicts what made Bird worthy of restoration in the first place. But in the end, the central presence is so strong that it is just about impossible to write about and listen to this album at the same time.

The album is a hilarious opera parody, with characters from nearly every famous opera blasting away in a huge free-jazz potpourri topped (literally) she's on a tablet by Bridgewater as Carmen, trumpeting the joys of freedom.

Raves for an American Whoozie-Whatzit

By John Rockwell
New York Times Service

HAMBURG — Once one gets through describing 'Cosmopolitan Greetings,' an eccentric yet high-spirited and affecting avant-garde mixed-media whoozie-whatzit that opened here Saturday night, one has pretty much reviewed it.

The piece is a sort of jazz opera with 12-tone interludes. It lists four creators: U.S. poet Allen Ginsberg, the Swiss jazz composer and bandleader George Gruntz...

As if that were not enough, there are prominent parts for three dancers-mimes: Lutz Forster, best known as a star of Pina Bausch's troupe and looking in Hamburg like a cross between David Bowie's Thin White Duke and Joel Grey in 'Cabaret'...

The evening alternates between blues, be-bop and free-jazz numbers, which dominate the proceedings and work better as platforms for solo flights than as compelling jazz composition...

Robert Wilson. But actually, there is more Smith in 'Cosmopolitan Greetings' than there was Einstein in 'Einstein on the Beach.'

That has partly to do with another level of participants in this extravaganza, a host of top-flight American jazz musicians: the singers Dee Dee Bridgewater, Sheila Jordan and Mark Murphy, and the instrumental soloists Don Cherry, Howard Johnson, Larry Schneider, Mike Richmond and Adam Nussbaum.

Wilson's production is not as opulent as some of his efforts: The sets, by him and Xavier de Richeumont, are not particularly complex. But Wilson's clever props, brilliant lighting (by himself and Heinrich Brunke), terrific costumes (by Henning von Gierke) and an unusually adept sound collage bridging the musical numbers (by Hans-Peter Kuhn) makes this a characteristic Wilson production, albeit whittier and more human than usual.

DOONESBURY



Do you Know Blérancourt, The Museum of French-American Friendship?



The Château de Blérancourt, a seventeenth century masterpiece by Salomon de Brosse is located 125 km (80 miles) north of Paris near the historic town of Compiègne (see map). The main body of the Château was destroyed during the French Revolution but four exquisite pavilion buildings remain in which the museum is housed.

The Blérancourt museum was founded by Anne Morgan, daughter of the financier J.P. Morgan, who bought the property in 1917 to shelter the wounded and homeless during World War I and subsequently lived there for many years.



While at Blérancourt, Anne Morgan collected works of art and documents reflecting the history of Franco-American relations from the American Revolution to the present day. In 1929 she presented Blérancourt and its collections to the French government and it was given the status of a French national museum and was officially named the Museum of French-American Friendship.

The exhibits, composed of paintings, sculpture, historical memorabilia and documents are extremely varied and everything in the museum illustrates either historically or artistically the close relationship between France and the United States over the

past two centuries. Among the most moving souvenirs on display are a Ford ambulance used by the American Field Service during World War I and the order for D-Day dated June 6, 1944, signed by General Eisenhower.

The museum also illustrates the rich cultural and artistic exchanges between the two countries, with exhibits from the many French artists drawn to America for inspiration as well as those American painters influenced by France.

Led by its dynamic curator Pierre Rosenberg, Blérancourt has exciting plans for development, including the expansion of the museum's art collection through the permanent loan of fifty paintings from the Louvre, the Musée d'Orsay and the Centre Georges Pompidou. This permanent exhibit will be housed in one of the pavilions — renovated and expanded for the purpose. In the surrounding grounds, a botanical museum has also been created using American

species. It includes an arboretum of American trees selected for their autumn foliage.

The French government has responded by increasing its subsidy but substantial outside funds will also be needed. A fully tax-exempt US foundation — American Friends of Blérancourt, Inc. — has been established and the Florence Gould Foundation has contributed a special matching grant of \$500,000.

Other leading foundations as well as leading companies with Franco-American ties also contributed: Dillon Foundation, Disney Foundation, ECF Consulting Group, Frederic Henry Prince Foundation, Mona Bismarck Foundation, Seth Sprague Foundation and Air France. Caron, Elegance Inc., France Telecom, I.B.M., Manpower, Morgan Guar-

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## DESTINATION

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Why is it that Southeast Asia, which only last decade was home for the most debilitating war, is today the ultimate destination for more and more Europeans and Americans?

The reasons can't be quantified. Travel executive Joshua Bo cites the Asian myth. "Inbound visitors are looking for something mysterious. And they find it. Things like bamboo scaffolding or little temples or colorful alleys. We don't find it especially strange, but visitors can't get over the marvels of it."

New World Hotel executive Mabel Auyeung puts it down to "the kind of pampering which you can't get anywhere else. Europeans and Americans can't believe the personal kind of service which they get. It isn't that we feel subservient to people. It's that we have never felt that service is demeaning in any way."

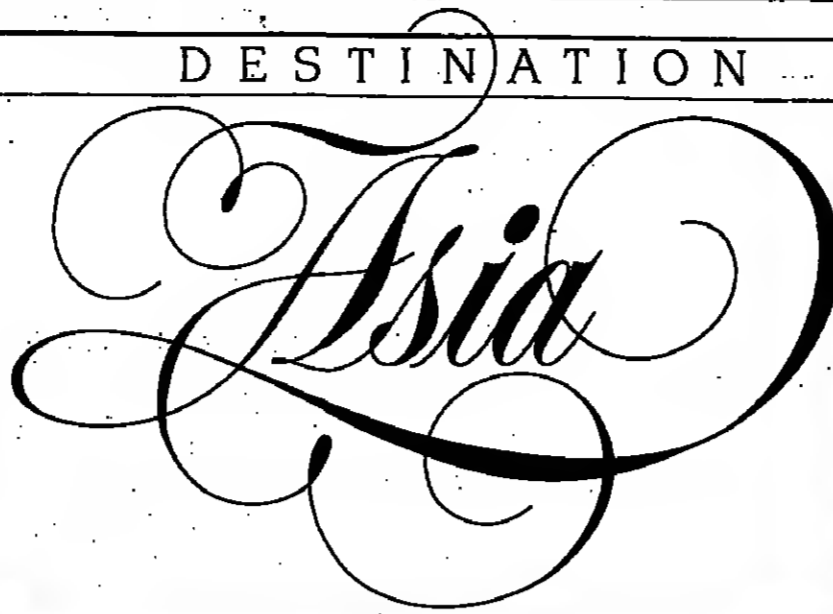
Travel Business Analyst director Murray Bailey adds: "Asia's in the news. The combination of 'Visit Thailand Year' with the rumors that Hong Kong may just kind of

evaporate in a few years, attracted a record number of people to the continent."

Except for North Korea, every country in the continent makes way for tourists, even when the restrictions are enormous. Nobody thinks of Vietnam as the ultimate getaway destination, but the country makes special allowances for GPs and curiosity-seekers to come back. Kampuchea is theoretically impossible for Americans to visit, but Angkor Wat is still such a draw that Foreign Ministry officials make every unofficial effort to bring in writers and officials from the West.

The lure of Asia overcomes virtually all boundaries. The Philippines may be suffering from a bad press — and from the relatively brutal

See Asia, page 11



The Merlion (above) comes from Singapore's ancient names, Temusek and Singa Pura, which mean, respectively, sea town and lion city.



Taiwan's National Palace Museum: a half a million Chinese relics.

Taiwan: Parks, Beaches  
And Chinese Culture

Taiwan suffers from touristic schizophrenia. Not the obvious political disease of realizing that the world fails to recognize this nation of 20 million people as China. But the less noticeable problem of not knowing how to project themselves to that unfeeling world.

The Taiwanese have no doubt who they are. "We," they say with less defense than true belief, "are the real China."

Stanley Yen, president of The Ritz, one of the country's two lovely "boutique hotels," is more specific. "I'm a food man," he admits, "and Taiwan has the greatest variety of Chinese food in the world. Hong Kong has only Cantonese food, and we won't even talk about the Mainland cuisine."

"We have the best Shanghai and Szechwan and Hunan and Mongolian food and Beijing food. But I'm always discovering tiny restaurants

with special cuisines from provinces nobody's even heard of before. I've had Hunan food in my restaurant, and I'll be changing to Hangzhou food. It's never-ending.

"But look at the rest of it. We have the greatest collection of Chinese antiquities, the greatest Chinese scholars, the oldest traditions.

"Our only problem is how to promote it, how to package it so people realize that we are the greatest repository of true Chinese culture."

The Tourist Department divides  
See Taiwan, page 10

Singapore's Stability  
Encourages Tourist Trade

During Lee Kwan Yew's 22 years as Prime Minister of this city-state, Singapore has changed from being a conceivable Athens — enlightened, free, where the talented and intelligent rise naturally to the leadership — to a kind of latter-day Sparta, where restrictions and discipline are urged for the preservation of the country.

While this has done little to endear the country to the world politically, Singapore seems to be one of the most stable countries in Southeast Asia, and its tourist trade has gradually grown.

The figures are indeed impressive, with over 3 million visitors in 1987. One-third of this, though, is listed as "ASEAN visitors" (mostly from neighboring Malaysia), and another third comes from other parts of Asia.

English is universally spoken — but hearing Chinese students speak with a decided Indian clip is amus-

ing for first-time visitors. Malays, now free to join the Singapore work force, gradually move up to middle management level. Indian shopkeepers abound, but they will frequently have Chinese partners.

The town (one still hesitates in calling Singapore a country, though Singaporeans would resent such an affront) is three-quarters Chinese. Its "Chinatown" is one of the few remaining old quarters where the traditional ways of life have survived. The streets have open-air ba-

See Singapore, page 11

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# Visit Thailand Year: The Continuing Success Story

Tira Seeboonruang, the Market Promotions director of the Tourism Authority of Thailand, looked uncommonly solemn when speaking of the future of Thailand. "Oh, we do have problems with tourism," he said. "We have problems in how to extend our bonanza 1987 year."

"We have problems in how to keep visitors away. We have problems in getting them out of Pattaya and Phuket and Bangkok, to show them the other side of paradise," he laughed. "But mainly it's a problem of copyright. Other countries have taken over the 'Visit Year' so we'll have to work on other campaigns."

"Visit Thailand Year" might have been a prosaic concept, but the number of visitors last year — a whopping 3.5 million — was 23.59 percent above 1986, making tour-

### Visitors head for the mountains, rivers and sea

ism the country's most important foreign exchange earner.

The country has extended its "special" 1987 to July this year, when the King celebrates his reign on the throne. After that, Thailand plans to take center stage in "Visit ASEAN Year."

"Look at what we have," explained TAT Governor Dhamnoon Prachuabmoh. "We have the scenery, the historical attractions, the people. Now if we can work out how to allocate small things like hotel rooms and airline seats, we can continue indefinitely."

Mr. Dhamnoon was being modest. Thailand has the allure — whether justified or not — of limitless love on endless beaches; of mysterious hill tribes in the northern capital, Chiang Mai. Its cuisine is still the "trendiest" in the West. And the younger generation of Thais has a go-getting, imaginative attitude toward business.

The problem of getting people to see the "real" Thailand is threefold. While the service industries in the main centers are adequate, Thailand — never a colony of a foreign power — has relatively few English speakers. But they are more than willing to try.

"If you look at Japan or Korea," says one expert, "they probably learn better English, but they're

afraid to speak it. The Thais aren't afraid to practice, and if their English fails, they'll make every attempt to get somebody to translate for them."

The second problem is internal transport. Trains were reliable but slow. Thai Airways was — to say the least — not the most impressive internal airline system.

Things have changed with the administrative merger of Thai Airways and its international cousin, Thai International. Thai International Executive Vice President Chattrachai Runya-Antana believes that by coordinating ticketing policy, improving service and doing long-term marketing (i.e. getting tourists to Thailand and flying them around Thailand), success is guaranteed.

The third problem is the lure of the more established places. Bangkok, with its temples, shopping and nightlife, Pattaya, with its beaches, luxury hotels and (yes) nightlife, and even Phuket Island are now blue-ribbon destinations.

Phuket, once known for its tin-mining and later the gateway to the island where *The Man With The Golden Gun* was filmed, is one of the most beautiful islands in the world. Old-timers may scorn the score of hotels, but the pavilions of Amanpuri, the spacious Meridien, Club Mediterranean, and other hotels are simply the beginning. Phuket has been described as a "gallery of gorgeous seascapes," and this is true. Around each mountain or road is a different beach, a different vista of sea.

Other destinations which once were semi-secrets are already established. Chiang Mai, 800 kilometers north of Bangkok, has a plethora of mountains, jungles, hill-tribes, and the coolness of an Indian hill resort. Koh Samui is a bit of a tourist trap. At Hua Hin, the 19th century royal sea resort, the old Railway Hotel has been renovated (retaining the lovely old verandas and imaginative toplary), and the neighboring beaches are attractive.



# Taiwan

Continued from page 9

its energies between packaging Chinese culture (the National Museum) and promoting Taiwan's natural parks and beaches. The latter may be a losing battle.

Kenting National Park in the south does have a beautiful view of the sea, a good resort hotel, lovely walks and fine views; but this can be duplicated in other countries.

Sun-Moon Lake and Taroko Gorge, the latter 3,000 meters high, are indeed beautiful, but few of the 1.7 million visitors each year come specifically for this. The windswept rock carvings in the north are pretty but hardly spectacular.

More remote and certainly more memorable is the unspoiled east coast between Hualien and Taitung. The Tourism Bureau has been put in charge of the East Coast National Scenic Area so that it doesn't develop industrially. Instead they plan to develop river activities, fishing, sailing, caves, islands and walks along the beaches.

But with the best of intentions, it seems obvious that this will appeal to the Taiwanese themselves — who are always looking for ways to spend their considerable money — rather than foreign visitors.

The National Museum is indeed one of the greatest museums in the world, with the number of relics assessed to be an incredible 620,000! They include nearly 5,000 bronze objects, 24,000 porcelain, 4,000 jade, 13,000 paintings and rare books and documents. As only 9,000-odd objects can be shown at one time, the displays are always changing.

But can visitors to Taiwan live on one museum alone? Obviously not. The National Museum is but an outward sign of all that Taiwan has to offer.

Daniel Reid, a noted author and archivist of Taiwan and Chinese culture in general, feels that the scope is wider than any official body can cover.

"Forget the rinky-dink mountains and beaches," he says. "Yes, we have great walks, good skiing, a few fabulous mountains in the center of the country. But more and more people are learning that Taiwan has something which no other country has. No matter what the political realities, Taiwan is China."

"Do you want to learn acupuncture? Or tai chi? Or Chinese calligraphy or painting or ceramics or sculpture or cooking or music? Then Taiwan has it all. And you

don't even have to know the language to find the right teachers. More and more people are realizing that Taiwan is the only place for this."

But does Taiwan really want to bring in so many visitors? If their efforts seem half-hearted, it isn't because they wish to "protect" their culture, like, say, Bhutan. Unlike Hong Kong's Westernized and faintly arrogant population, Taiwan people are all too keen to show off their culture, their industry and their success.

Their national airline, China Airlines, is in the process of being upgraded to deal with business and conference visitors.

Until last year, the airline had been severely in the red, with a

### Tai chi, ceramics, cooking or music: Taiwan has it all

questionable reputation. Today, says Eugene Chen, director of marketing and planning for China Airlines, the airline is expanding in all sectors, save employees.

In a unique situation, China Airlines is privately owned but the government acts as guarantor for bank loans. As virtually all the pilots come from Taiwan's crack Air Force, and until recently the management was essentially military, it had a decidedly bureaucratic outlook.

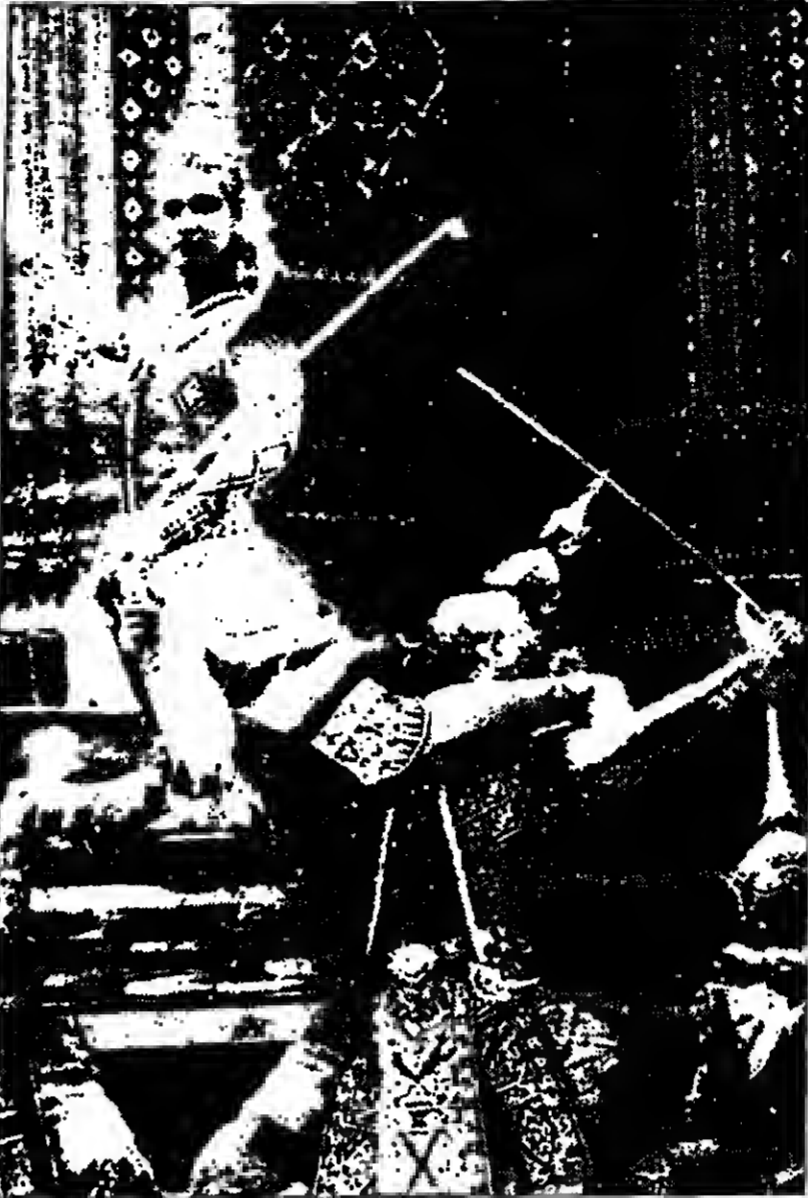
"That," says Mr. Chen, "is changing. Last year, we made a profit, and this year we're reducing our staff while expanding the routes when necessary."

"Most important, we're coordinating with the Tourism Bureau and the new Convention Center to bring in more passengers who aren't strictly business."

The Tourism Bureau also funds a Travel Information Service Center for outbound Taiwan tourists. A large conference hall at the airport familiarizes Taiwan's 800,000 outbound travelers with Brazil's beaches, Britain's bobbies and Botswana's bistros.

The reason for this is Taiwan's enormous trade imbalances. In the first half of 1987, Taiwan's exports totaled U.S. \$11.3 billion while imports amounted to less than one-third of that.

Taiwan, in fact, may have the only Tourism Bureau in the world which encourages its people to leave in order to help their balance of payments. Hunter Eu, the director general of the Taiwan Tourism Bureau, feels this can only help Taiwan in the long run.



Dancer-actors playing out the Ramayana drama in Thailand.

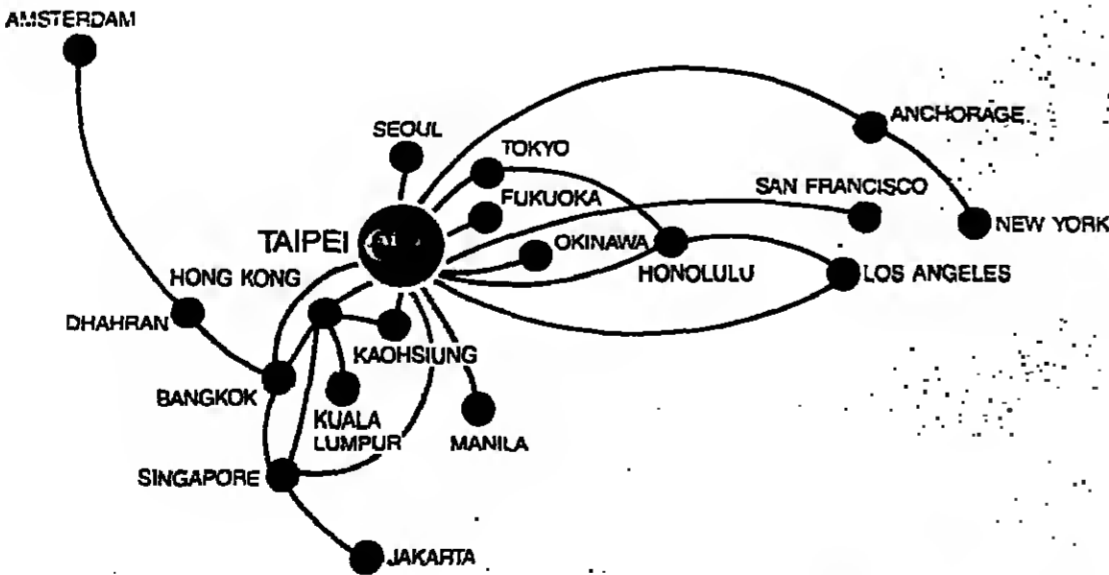
Not yet developed but ready for those in the know is Krabi, a few hours from Phuket. Bungalows are already built for residents, but more and more visitors make the long overnight journey for the mountains, the rivers and the sea.

"They call Australia the lucky country," said one Thai International executive who had studied in Sydney. "That's a nice way to describe it, but I prefer our own Thai luck, which we call karma. Karma means lucky, but it means that we deserve our luck. So it's only right that we share it with other people."

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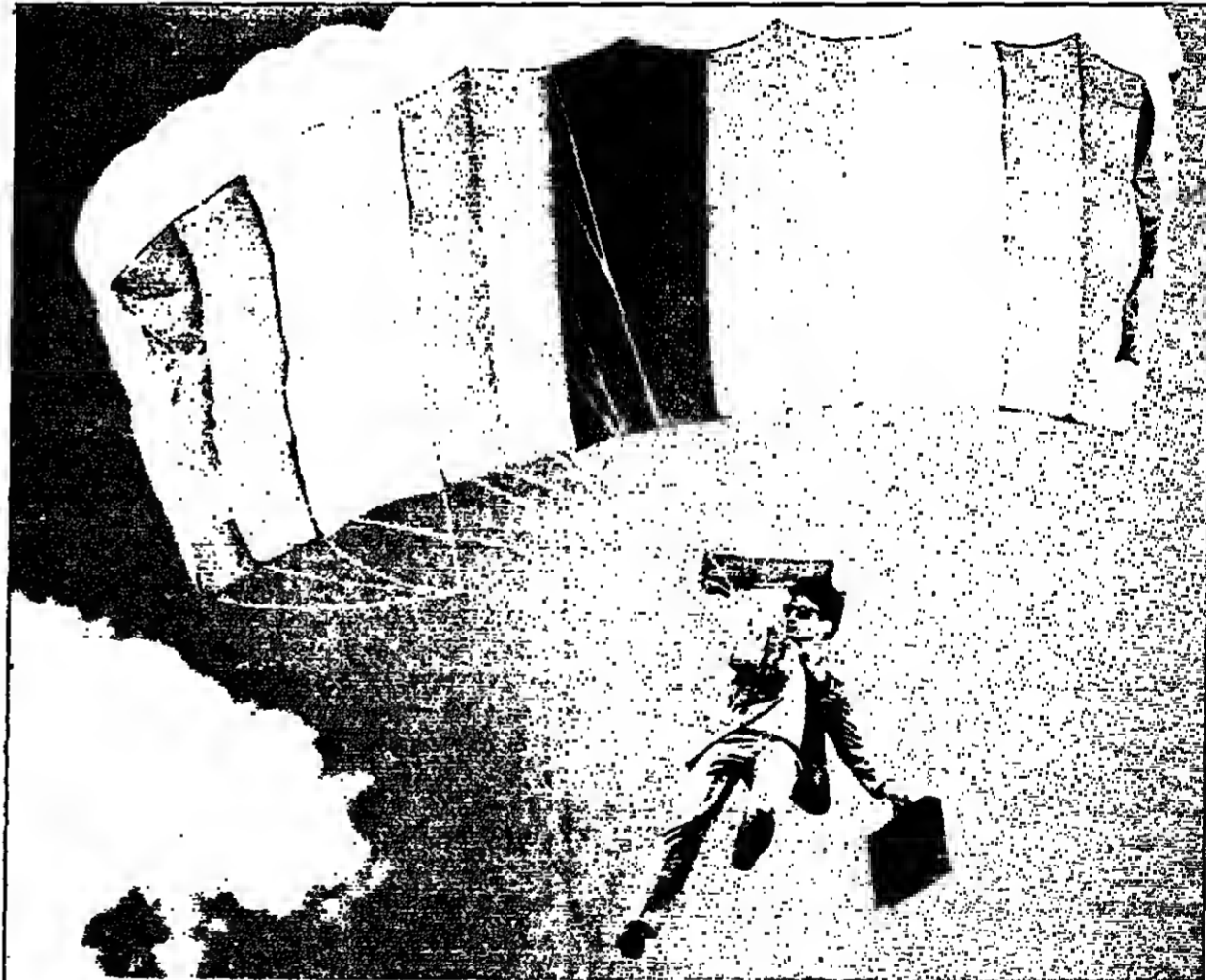
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## Shopping Heads List of Hong Kong Attractions

Larry Gettleman, a serious New Orleans dental surgeon stopping in Hong Kong for the statistically accurate 3.5 days, planned to soak up culture, visit islands, eat rare foods and learn about the "real Hong Kong."

Despite his best intentions, he barely made it beyond Kowloon's Tsimshatsui district. The diversions began with a shopping list from a dozen friends; he thought an hour should cover it.

Inevitably that didn't work. Like a tyro gambler who wins on his first throw, Mr. Gettleman learned how to bargain and liked it.

"Then," he said, "I wandered down lanes and bought leather jackets, even though it's too hot in New Orleans to wear them. At the Tem-

**As revenues reach \$3 billion the guests keep on coming**

ple Street Night Market, I couldn't resist fake watches, though I can afford the real thing. I bought kitschy T-shirts because the misspellings were so outrageous. Then I started buying camera equipment. A lot of it was more expensive than in the States, but it looks so good in the Hong Kong windows that I couldn't resist. And some jewelry for my wife.

"Finally I bought a lot of Chinese knickknacks on a little lane near Wongtatsin Temple. I never even got to the Temple. I simply bought."

Ever since 1945, when Hong Kong's international status as a duty-free port was established, the Hong Kong Tourist Association has failed to drag tourists away from shopping.

The Hong Kong Tourist Association (HKTA) promotes food with its annual Food Festival, the arts with its annual Arts Festival, films with its annual Film Festival, and Chinese culture with dancing, orchestras, temples and idyllic islands with traditional villages and rice farmers.

But does it work? Melina Heung, manager of the HKTA Public Relations Department, recently created a special program for a health-conscious writer, Paul Oppenheimer, on his first visit here.

"First was a walking tour of Cen-

tral and Western district on the Island," said Mr. Oppenheimer. After two minutes I came to Cloth Alley. All they sell is Chinese baby clothes, so I picked up some padded Chinese backpacks. Then I walked over to Egg Lane and got some strange-looking egg cartons.

"I was still trying to walk, but those shops stopped me. I got some soap shaped like a goat, and some opium weights and a whole tea-set and then went to Hollywood Road and the ladder streets and bought up some ceramics and an old Mao cap. When I finally got to Western district I bought some of that black-wood furniture, and they said they'd ship it back to me. It was a reproduction, but beautiful. Also, they had a men's *cheongsam* which I thought made me look very macho."

Then I found a Chinese vegetarian restaurant and feasted on that. By then it was too late to play any-  
how."

Mr. Oppenheimer is typical of the million visitors that come to this city of superlatives each year. While local newspapers fret about how Hong Kong will survive when it is taken over by the People's Republic of China in 1997, tourists and shopkeepers are far too busy to worry unduly.

Kowloon's main artery, Nathan Road — which literally begins at the foot of Asia in Tsimshatsui and winds up to China — is a total mess to residents who fret at the ditches, the holes, the ear-splitting jackhammers. But to tourists it's part of the fascination.

The outlying islands — 235 of them, though less than one-fifth are inhabited — still have tiny villages, little beaches and farms, while Lantau has a stunning mountain-top temple. But few tourists take the 30-45 minute ferry ride out there.

"The shops are simply too seductive," says Mr. Gettleman. "Those windows are like a pet shop, and each damned article is like a puppy dog which says 'Buy me, buy me.'"

Not all tourists go home happily. Tsimshatsui shopkeepers are notorious for cheating. "International

DESTINATION



A view of Hong Kong's skyline from Tsimshatsui, Kowloon.

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## Asia

Continued from page 9

crackdown on their nightlife. But visitors increased, albeit by a marginal 1.4 percent. Japan might be the world's most expensive country, especially for Americans, but they too benefited.

Hong Kong was number one in visitors: 4.3 million in 1987. Thailand, benefiting from their massive publicity, was the fastest growing, increasing by a good 24 percent to 3.5 million visitors. Overall, 23 million travelers visited Asia last year — 15 percent more than the previous one.

How does Asia cope? It copes with more hotel rooms, even at the risk of over-building. And as it copes, it becomes more sophisticated.

The adventurous traveler now looks farther afield for his adventure. Sarawak tops the list, though one has to avoid the pair of Holiday Inns and other luxury hotels. Sumatra offers some impoverished cannibals and the ever less mysterious Lake Toba. China has limitless travel and is, of course, the great destination for the independent traveler.

But the West is creeping up. Last month, China's first Italian restaurant opened in Shanghai, credit cards spread to Inner Mongolia and every hotel chain seemed intent on

guarantees" are sometimes confined to Hong Kong, and electronic serial numbers are often written in "error," making for very unhappy customers.

Yet the guests keep on coming. Revenue is up to US\$3 billion, making tourism the third largest industry. Ten-thousand hotel rooms will be added by 1991, giving it 30,000 rooms, besides hundreds of boarding houses for other visitors.

Where it was once feared that visitors would shun Hong Kong for the "real" China, travelers to PRC often long for the frantic bright lights, the garish Chinese restaurants, the luxury Western restaurants, and all those huge department stores, the specialty streets, the night markets, the fakes, the clones, the authentic, the useless.

Added to that, there has been a surreptitious and successful campaign by travel agents to "see Hong Kong now before it's too late."

About 150 years ago, when Hong Kong was ceded to England, one visitor called it "a barren island with hardly a bouse upon it." Today it blazes away with lights, action, traffic jams, spitting, loudness, chaos and success.

The tourism figures are just another indication of the colony's outrageously improbable success.

making capital out of *The Last Emperor*.

Those who, like Mark Twain, prefer their exotic travel after a good breakfast of ham and eggs, may be comforted — or astonished — to find McDonald's and Seven-Eleven's on every corner of Hong Kong or fast-food *saray* restaurants in Malaysia. But around the corner from familiarity are scenes of the utmost brilliance.

And those who feel that Asian beaches consist of the same sand as the Mediterranean cannot ignore the circus of Pattaya, the limitless seascapes of Phuket, even the black sand beaches with Portuguese inns and *vinho verde* of Macao.

Others lament the "old days" of a purer Asia; of all-night-long Balinese dances instead of the truncated shows today. They forget that the travel dollar goes somewhat — if not enough — toward alleviating much of Asia's poverty.

"There is too much Asia," said Rudyard Kipling. To a record number of visitors, there is just enough Asia, its marvels less remote, certainly less unullied. But the simple and magnificent can tantalize even the most experienced traveler: the sound of a bicycle bell outside of a Macao church, a guitar strummed on the porch of a Sarawak longhouse, flutes from the Burmese jungle, the trembling notes of a *gamelan* orchestra in Bali.

Birth, laughter, music, adoration, survival. Asia.

## Singapore

Continued from page 9

zaars where merchants measure out bean sprouts with hand-held scales, fortune tellers read faces, and old men take their pet birds for walks.

Serangoon Road, the center of the Indian community for 150 years, is equally exotic. Intoxicating smells of incense and sweet flower garlands mix with the sharpness of curry spices. The Malay community revolves around Arab Street, behind Raffles Hotel, where the Sultan Mosque is open to visitors.

For the few sights of old Singapore, one begins at the Raffles Hotel, where the cherry-red Singapore Sling was conceived. Nearby, the Victoria Memorial Hall and Theater (with a clock tower called Big Ben!), and the Gothic-style St. Andrew's Cathedral are among the few reminders of the British Empire.

But for many visitors, the ultimate Singapore experience is the

culinary occasion called Satay Night Fever.

Satay is of course the Malay equivalent of shishkebab, but every cook has his own recipe. The Indonesians have a marinade with garlic and shrimp paste, lemon and chili. For the chicken satay, a Sumatran might use cloves and cinnamon bark along with desiccated coconut and nutmeg. Malay *saray* has fewer spices, but the sauce is more complex.

The great outdoor restaurants have literally dozens of kitchens, usually around an enormous oval with rickety chairs and tables. At night, fires burn high, braziers are lit up, pots boil, giant *woks* bubble and great piles of peppers and spices are thrown through the air.

This is Singapore at its finest. Here is a festive atmosphere, lit by gas lamps and the stars and moon.

This Advertising Section was written by Harry Rolnick.



TO VIENNA ON THAI. A SYMPHONIC MOVEMENT ORCHESTRATED TWICE WEEKLY.

Vienna, Austria. City of the waltz. Of the Blue Danube, of nostalgia and romantic dreams. The capital of the classics — and capital of modern Austria. Leading host city for important meetings and conferences. \*Commencing early June, Thai takes you there from Bangkok every Monday and Friday via Athens, returning on Tuesday and Saturday. Thai. Centuries-old traditions. Innovative thinking. State-of-the-art technology.

**Thai**  
We reach for the sky.

Vol.	High	Low	Last	Chg.
Tecoco	12511			
USFC	4840			
Putnam	4500			
Healy	3500			
GenTel	2272			
Chrysl	1800			
PortCo	1600			
Parade	1500			
Occidnt	1400			
North	1300			
BankAm	1200			
NiSemi	1100			

NYSE 4 p.m. volume	227,180,000
NYSE 4 p.m. volume	13,200,000
NYSE adv. com. close	174,650,000
NYSE adv. com. volume	10,500,000
OTC adv. com. volume	4,200,000
NYSE volume down	4,500,000
NYSE volume up	1,200,000
OTC volume down	2,700,000
OTC volume up	2,700,000

High	Low	Close	Chg.
Composite	133.79	134.50	+1.59
Industrial	137.16	137.91	+1.25
Transport	137.16	137.91	+1.25
Finance	132.74	132.41	-1.32

**Tuesday's NYSE Closing**  
Via The Associated Press

Class	Prev.
Advanced	321
Declined	278
Unchanged	278
New Issues	21

Class	Chg.	Week	Year
Composite	+1.15	+0.28	+1.15
Industrial	+1.15	+0.28	+1.15
Finance	+1.15	+0.28	+1.15
Insurance	+1.15	+0.28	+1.15
Utilities	+1.15	+0.28	+1.15
Transport	+1.15	+0.28	+1.15

Vol.	High	Low	Last	Chg.
Danaher	2800			
Amgen	2500			
Alle	2200			
Amgen	2000			
Alle	1800			
Amgen	1600			
Alle	1400			
Amgen	1200			
Alle	1000			
Amgen	800			
Alle	600			
Amgen	400			
Alle	200			

Class	Chg.
Bonds	+0.02
Utilities	+0.02
Industrials	+0.02

Class	Prev.
Advanced	116
Declined	70
Unchanged	60
New Issues	19
New Lists	9

Buy	Sales	*\$M
June 12	24,673	88,956
June 13	24,811	89,740
June 14	24,811	89,740
June 15	24,811	89,740
June 4	24,811	89,740
June 5	24,811	89,740
June 6	24,811	89,740
June 7	24,811	89,740
June 8	24,811	89,740
June 9	24,811	89,740
June 10	24,811	89,740
June 11	24,811	89,740

Open	High	Low	Last	Chg.	
Index	7122.02	7145.13	7111.13	7104.47	+26.07
Indus	3807.18	3828.28	3811.13	3811.13	+2.00
Trans	3807.18	3828.28	3811.13	3811.13	+2.00
Com	700.47	703.72	702.59	702.59	+1.28

Class	High	Low	Close	Chg.
Industrials	28.14	27.84	27.80	+0.27
Transport	28.14	27.84	27.80	+0.27
Utilities	21.22	21.15	21.15	+0.13
Finance	21.22	21.15	21.15	+0.13
Insurance	21.22	21.15	21.15	+0.13
Real Estate	21.22	21.15	21.15	+0.13
Energy	21.22	21.15	21.15	+0.13
Commodities	21.22	21.15	21.15	+0.13
Foreign	21.22	21.15	21.15	+0.13
International	21.22	21.15	21.15	+0.13
Global	21.22	21.15	21.15	+0.13

Class	Prev.
Advanced	179
Declined	87
Unchanged	87
Total Issues	243

High	Low	Close	Chg.
Index	307.8	308.4	+0.6

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Div.	Yld.	PE	52 High	52 Low	Open	Close	Chg.
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	

# NYSE Sets Post-Collapse High

**United Press International**  
NEW YORK — Prices on the New York Stock Exchange rose sharply Tuesday as new U.S. trade data showed a substantial narrowing in the deficit for April. The Dow Jones industrial average closed at the highest level since the October market collapse.

The Dow jumped 25.07 in close at 2,124.47, surpassing the prior post-collapse closing high of 2,110.08, set April 12. The Dow slipped 2.31 on Monday.

Advances led declines by an 11-4 ratio. Volume jumped sharply to 227.2 million shares from the 125.3 million traded Monday.

Before the market opened, the Commerce Department said the U.S. merchandise trade deficit for April narrowed to a seasonally adjusted \$9.89 billion from the revised March deficit of \$11.7 billion, the lowest in nearly four years.

The improvement in the April trade deficit was much greater than expected. Wall Street analysts had predicted the gap would widen to about \$12 billion.

"The market was pleasantly surprised with the trade figures and took off screaming at the open," said William Tirilli, vice president of research at Rodman & Renshaw Inc. in Chicago.

The Dow soared nearly 40 points during the first half-hour of the session and then stabilized for most of the day until a final hour pullback.

"We got hit with some profit taking at the close, and analysts will probably read this as a cautious sign," Mr. Tirilli said. "It might be an indication that we have to pull back before we make another run. It will certainly reduce the chances for a powerful follow through at Wednesday's open."

Broad-market indexes also advanced to new post-collapse highs. The NYSE's composite index rose 1.59 to 1,345.07. Standard & Poor's 500 stock index rose 2.87 to 278.00. The price of an average share gained 33 cents.

"We had an awfully impressive open," said Phil Erlanger, chief technical analyst at Advest Inc. in Hartford, Connecticut. "The trade numbers are starting to come in much better than most forecasters had predicted and this trend must provide major fundamental support for our economy."

Mr. Erlanger, noting that favorable trade news in March actually caused stocks to fall, said market sentiment had changed in the intervening month.

When the March numbers came in, Mr. Erlanger said, Wall Street was gripped by fears of higher inflation and interest rates. And while he continues to "appreciate the risk of an overheating economy," it has not happened.

Div.	Yld.	PE	52 High	52 Low	Open	Close	Chg.
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	

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14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	
14	AAR	1.20	11.25	10.00	10.50	10.50	
14	AAE	1.20	11.25	10.00	10.50	10.50	
14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.00	10.50	10.50	
14	AAM	1.20	11.25	10.00	10.50	10.50	
14	AAN	1.20	11.25	10.00	10.50	10.50	
14	AAO	1.20	11.25	10.00	10.50	10.50	
14	AAQ	1.20	11.25	10.00	10.50	10.50	

Div.	Yld.	PE	52 High	52 Low	Open	Close	Chg.
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14	AAI	1.20	11.25	10.00	10.50	10.50	
14	AAJ	1.20	11.25	10.00	10.50	10.50	
14	AAK	1.20	11.25	10.00	10.50	10.50	
14	AAL	1.20	11.25	10.			

MADISON AVENUE

Saatchi Worldwide Solves Strange Case of Co-Titles

By PHILIP H. DOUGHERTY

NEW YORK — The strange situation of dual titles in the United States operations of British-owned Saatchi & Saatchi Advertising Worldwide will be all but eliminated by the promotions of Gary M. Sussjara, Ed J.L. Wax and Joseph P. Mack.

A merger created the co-titles; retirements are ending most of them.

The merger of Saatchi & Saatchi Compton with DFS land a year ago, several ranking officers there have had "co-" on their titles. Now the only co- that remain belong to O. Gossett and Stuart B. Upson, co-chief executives of the idw and Saatchi DFS, the American subsidiary, and also of the worldwide parent, itself a subsidiary of Saatchi & Saatchi P.L.C. Mr. Sussjara, 48, will be president and chief operating officer of DFS, supervising all the U.S. and Canadian offices and subsidiaries except the New York office and Team One.

Mr. Sussjara, the Japanese company whose unit sales of office products lead the industry, is prepared to mount a million umbrella advertising campaign that for the first time unite its business systems divisions. "When I say Sharp I mean business," Mr. Sussjara said in each component, "said Daniel J. Infanti, director of corporate communications and marketing. "But maybe it could be better known as a business systems company. We want to be known to everyone as an office automation company." The agency is Stevens & Buchsbaum, which had already been engaged for many of the products involved. Sharp's consumer rising is done by the Ogilvy Group's Scali, McCabe, Sloves, notry owner of Stevens & Buchsbaum.

The print advertising, in addition to supplying a toll-free 800 phone number for where-to-buy information, lays out the corporate sales claims: "Right now, all over America, more fax machines are being bought than any other brand. It's ringing up the most electronic cash register sales in the country. Sharp computers are breaking sales records. Sharpers are rated No. 1 in the country for copy quality. And Sharp sales calculators are No. 1 sellers, coast to coast."

Accounts

The New York office of Miami-based Beber Silverstein & Partners has become agency for Sogrape USA, a marketer of ported wines, including Mateus Wines of Portugal. Leo Burnett Co. of Chicago has been given the U.S. rights for BASF audio and video tape operations, a branch ASF AG of West Germany.

People

Gary F. Jonas is joining Carl Palmer Brown Cos. Aug. 15 as president and chief operating officer. Vicki Mondae, Mark Abrams, Paul Katzka, Peter le Comte Darryl Lindberg have been elected senior vice presidents at B Needham Worldwide.

President Of Bourse Resigns

Paris Fund Lost 500 Million Francs

By Steven Greenhouse

PARIS — The French Bourse's hopes of becoming one of the world's major stock markets took an embarrassing step backward Tuesday when the president of the French stockbrokers' association resigned following revelations that the association had a loss of 500 million francs (\$86 million), or one-third of its reserve fund, due to mismanaged investments.

Xavier Dupont, the association's president, submitted his resignation after a storm of controversy followed last weekend's disclosure that one-third of the stockbrokers' fund, which was for the most part managed by Mr. Dupont's family owned brokerage, was lost.

He was replaced by the exchange's vice president, Régis Roussele, who is also a partner in the brokerage firm of Meeschaert-Roussele.

As head of the stockbrokers' association, which is largely responsible for regulating the Bourse, Mr. Dupont has dominated recent efforts to modernize and expand the French stock market.

"This doesn't present the image of a great stock market," said Jacques Roudedeau, a partner in Roudedeau, S.A., a Parisian brokerage. "It doesn't say much for our system of controls either."

The loss is the worst scandal to hit the Bourse since it began major reforms two years ago that set up a financial futures market, the MATIF, and ended the stockbrokers' monopoly on trading shares.

"The credibility of the entire market is threatened," said Mr. Roussele.

Over the past two days, Mr. Dupont, the dynamic, 55-year-old head of the Dupont Demant brokerage, assumed responsibility for the losses. Other stockbrokers expressed surprise and shock at the losses, but said they were caused by poor investment decisions and lack of management controls, rather than by dishonesty.

Mr. Dupont explained to the stockbrokers' association in a meeting Monday that a portfolio manager had lost money in taking highly speculative positions in bond futures trading. The manager took what some investors described as "double-or-nothing" positions in the hope of offsetting losses suffered during the October stock market collapse.

Mr. Dupont said the trades took place last November and December but were not revealed until now because they were being investigated. Mr. Dupont said the trader who was responsible for the losses was dismissed on Dec. 31.

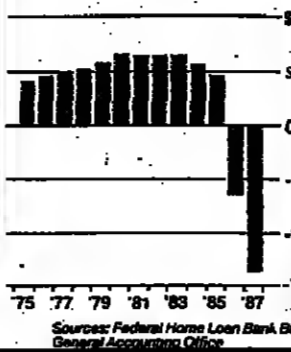
To shore up the stockbrokers' reserve fund and to restore investor confidence, the association announced Tuesday that its 61 members would pay in 1 billion francs to double the size of the reserve fund. Before the losses, the fund was valued at about 1.5 billion francs, but it has fallen to about 1 billion francs.

Pierre Bérégovoy, France's finance minister, praised the moves, saying the association "has acted quickly and well." He said he did not want the state to intervene in Bourse activities, but called for a more open system to help protect investors.

"If the Bourse is not capable of putting its affairs in order, then the state may intervene," he said. Also Tuesday, Philippe Cosserat, the government's representative on the French stockbrokers' association, resigned. The government replaced him by naming Gerard de la Martinière, chairman of the clearing house for the MATIF.

Insurance Nightmare

Net worth of the Federal Savings and Loan Insurance Corp. at year end. In billions of dollars.



Source: Federal Home Loan Bank Board, General Accounting Office.



M. Danny Wall, left, Federal Home Loan Bank Board chairman, says there is enough "blame to go around." William Proxmire, chairman of the Senate Banking Committee, cites Congress.

U.S. Thrift Crisis: A Hemorrhage

Government Faces a \$70 Billion Financial Bailout

By Nathaniel C. Nash

WASHINGTON — However you look at them, the numbers are staggering.

Last week, the Federal Home Loan Bank Board said it would pay \$1.35 billion to liquidate two bankrupt California savings institutions, the most expensive U.S. liquidations on record.

That will devour more than 40 percent of the cash on hand at the government's deposit insurance fund, the paper losses of which already total almost \$14 billion, according to the General Accounting Office, the auditing arm of Congress.

The bleeding does not stop there. Almost one-third of the 3,120 U.S. savings and loans lost money in 1987—a staggering total of \$13.4 billion—and analysts expect similar losses this year. More than 500 thrifts are bankrupt; 300 to 500 are nearly insolvent.

Experts estimated it will cost from \$20 billion to \$70 billion—and maybe more—to shut institutions that already have been found insolvent and to cover their losses.

This is shaping up to be the biggest U.S. financial disaster of the post-war era. It is a crisis that could produce the largest government bailout in history and the possibility that the thrift industry, born in the Depression to bolster home ownership, will not survive the turbulent, deregulated 1980s as an independent entity.

Although fingers of blame point in different directions, many take aim straight at the depressed economy of Texas, where plummeting oil prices brought down the real estate industry, to which savings and loan institutions had lent heavily.

But there was not just one culprit, nor a single big mistake. Rather, from the late 1970s on, there was a confluence of error and ineptitude, at times compounded by fraud, Congress, regulators and the industry all failed.

"There's an awful lot of blame to go around," said M. Danny Wall, chairman of the Federal Home Loan Bank Board.

"No one can really escape culpability here," said R. Dan Brumbaugh Jr., a former economist at the FHLBB. "Just about everything that has gone wrong that could go wrong."

Federal legislators, who frequently bowed to political pressure from an industry known for its powerful grass-roots lobbying, have come under fire for deregulating the thrift industry piecemeal and granting too much leeway in accounting practices.

The FHLBB, the industry's primary regulator, is criticized for being too close to the thrift units it regulated and for responding with inadequate resources and ill-trained examiners when the situation began to unravel.

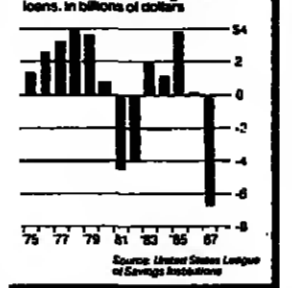
The industry, for its part, was unable to cope with the high interest rates that sprang from the late 1970s and spurred deregulation. Many executives lacked expertise to compete in the new world of finance. More troubling were the aggressive entrepreneurs, wheeler-dealers and gamblers who saw an opportunity to make a bundle at the federal government's expense.

Now, in sorting through the rubble, several questions emerge. One is the scope of the problem: how many billions of dollars will it take to resolve it depends partly on how much the government can salvage from bad real estate loans.

Another is whether the political will is there to see the industry reformed. See THRIFTS, Page 15

Plunging Profits

Total net income after taxes for F.S.L.I.C.-insured savings and loans. In billions of dollars.



Source: Federal Home Loan Bank Board, General Accounting Office.

Divided OPEC Extends Quotas For 6 Months

Compiled by Our Staff From Dispatches

VIENNA — Twelve of OPEC's 13 oil ministers Tuesday signed an agreement to extend by six months the cartel's current production ceiling of 15.06 million barrels a day in a bid to raise oil prices to \$18 a barrel.

Iraq did not sign the extension, and analysts said the arrangement simply highlighted OPEC's inability to overcome its differences on production levels and agree on a common formula to raise prices to the target level of \$18.

"We have reached a final agreement," the Venezuelan oil minister, Arturo Hernandez Grisanti, said. "We think the market will have a good perception of what we have done."

The Iraqi oil minister, Issam Abdul Raheem al Chalabi, said his country would not sign the quota agreement.

Iraq had refused in December to sign the six-month accord limiting the cartel's production to 15.06 million barrels a day because it wanted its individual quota to equal that of Iran, its enemy in the Gulf War.

Iran has a daily output quota of 2.369 million barrels. Iraq has a quota of 1.54 million barrels a day, but is producing an estimated 2.6 million barrels.

OPEC's president, Rilwanu Lukman, Nigeria's oil minister, said that the ministers would work to bring Iraq back into the fold.

Manna Said al Oteiba, oil minister of the United Arab Emirates, who had left the meeting Sunday, returned Tuesday to sign the extension.

He said the Emirates would continue to ignore its output quota of 948,000 barrels a day.

Oil prices, which had plummeted by as much as 50 cents a barrel Monday, regained some ground.

At midday on the New York Mercantile Exchange, West Texas Intermediate, the key U.S. crude, was trading 35 cents higher at \$16.78 a barrel.

Britain's North Sea Brent, the most widely traded international crude oil, was trading 15 to 20 cents on the spot market above its weak U.S. close Monday of \$16.43 a barrel.

Brent cargoes for lifting in August, the most active forward trading month, were quoted between \$15.75 and \$15.85, with early deals reported at between \$15.67 and \$15.76 per barrel.

Ministers of the cartel, who opened their meeting Saturday, have haggled over whether to extend their production accord by three months or six months.

The accord was to have expired June 30.

High-level sources in several delegations, who spoke on the condition that they not be identified, said that a majority of the ministers had favored the shorter extension.

But the minority favoring the longer extension included influential Saudi Arabia, OPEC's biggest producer. The kingdom produces 4.3 million barrels a day.

The majority faction has wanted to cut production to push prices up to the target level.

The Saudi-led minority has wanted to increase production or at least maintain it at current levels to take advantage of an increase in demand expected in the second half of the year and to maintain OPEC's market share.

The Saudi Arabian oil minister, Hisham Nazer, said his country and the other Arab states of the Gulf, which had been pushing for a production increase, consented to the will of the majority.

"We would have liked to see an increase in production, especially in the fourth quarter, in view of the fact there is robust demand," Mr. Nazer said. "For the sake of consensus we agreed to roll over."

In other OPEC action Tuesday, Indonesia's former oil minister, Subroto, was named the cartel's secretary-general. The post has been vacant since 1983.

Officials said the next OPEC talks would be held on Nov. 1 and not in December as scheduled. They said this was to avoid clashing with presidential elections for the cartel, which were due to be held on Dec. 4.

The cartel's members include Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

(AP, UPI, Reuters)

Currency Rates

Table with columns for currency, rate, and date (June 14). Includes rates for various international currencies like the British pound, Swiss franc, and Japanese yen.

Gold Dollar Values

Table showing gold prices in various currencies and units, including per ounce and per 100 grams.

Forward Rates

Table showing forward rates for various currencies, including 30-day, 60-day, and 90-day rates.

Interest Rates

Table showing interest rates for various currency deposits, including 1-month, 3-month, and 6-month rates.

Money Rates

Table showing money market rates, including 3-month and 6-month Treasury bills and commercial paper.

Asian Dollar Deposits

Table showing interest rates for Asian dollar deposits in various banks and currencies.

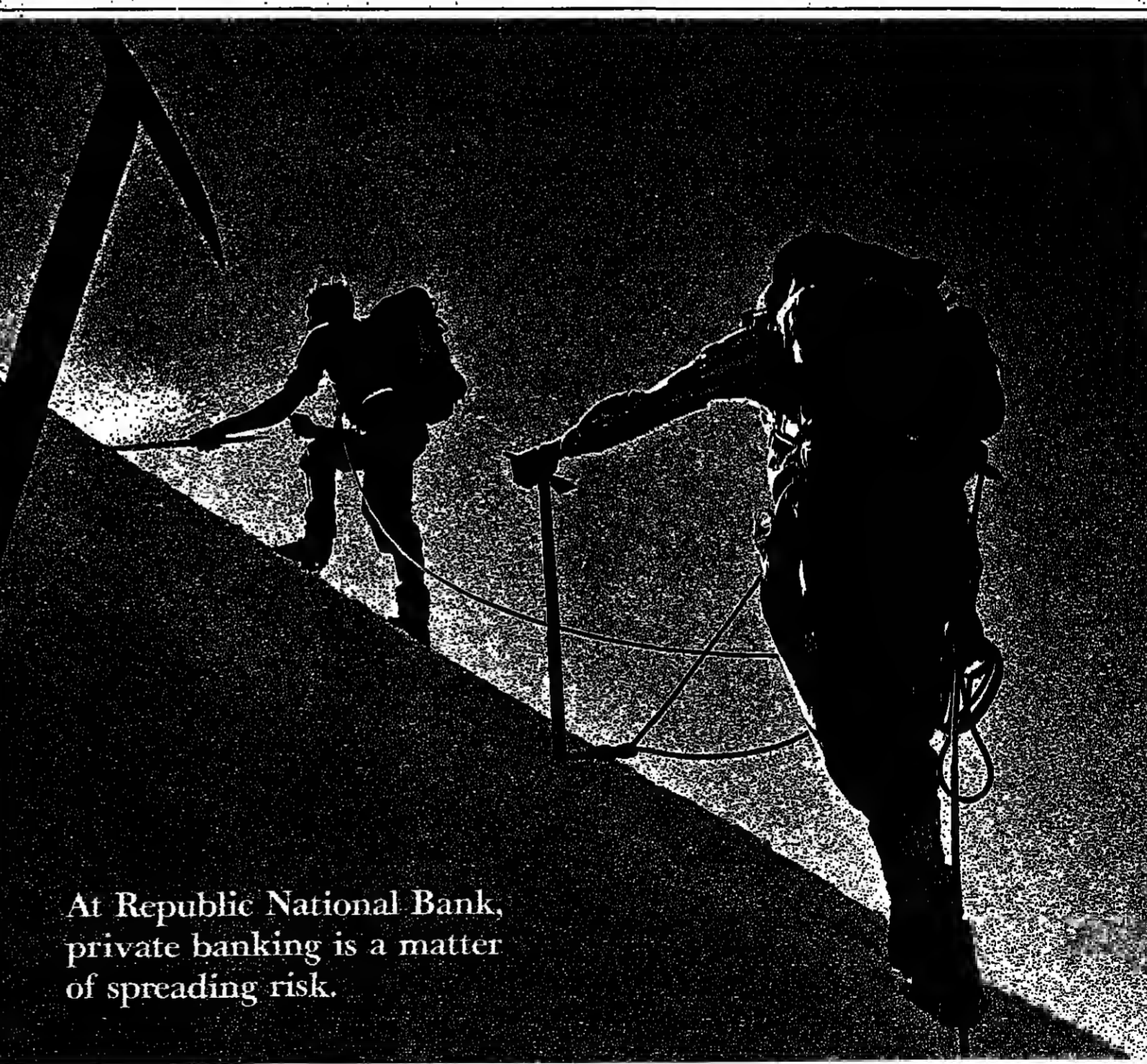
U.S. Money Market Funds

Table showing performance metrics for U.S. money market funds, including 30-day average yield and total return.

Gold

Table showing gold prices in various currencies and units, including per ounce and per 100 grams.

Advertisement for Shearson Lehman Hutton, featuring the text 'At Republic National Bank, private banking is a matter of spreading risk.' and listing services like managed currencies and performance results.



Advertisement for Republic National Bank of New York (Suisse) SA, a Safra Bank. It includes the bank's name, logo, and contact information for various international offices.

# Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Div. Yld. PE 50s High Low Close

12 Month High	12 Month Low	Div. Yld. PE	50s High	50s Low	Close
17	17	1.12	11.5	11.5	11.5
18	18	1.12	11.5	11.5	11.5
19	19	1.12	11.5	11.5	11.5
20	20	1.12	11.5	11.5	11.5
21	21	1.12	11.5	11.5	11.5
22	22	1.12	11.5	11.5	11.5
23	23	1.12	11.5	11.5	11.5
24	24	1.12	11.5	11.5	11.5
25	25	1.12	11.5	11.5	11.5
26	26	1.12	11.5	11.5	11.5
27	27	1.12	11.5	11.5	11.5
28	28	1.12	11.5	11.5	11.5
29	29	1.12	11.5	11.5	11.5
30	30	1.12	11.5	11.5	11.5
31	31	1.12	11.5	11.5	11.5
32	32	1.12	11.5	11.5	11.5
33	33	1.12	11.5	11.5	11.5
34	34	1.12	11.5	11.5	11.5
35	35	1.12	11.5	11.5	11.5
36	36	1.12	11.5	11.5	11.5
37	37	1.12	11.5	11.5	11.5
38	38	1.12	11.5	11.5	11.5
39	39	1.12	11.5	11.5	11.5
40	40	1.12	11.5	11.5	11.5
41	41	1.12	11.5	11.5	11.5
42	42	1.12	11.5	11.5	11.5
43	43	1.12	11.5	11.5	11.5
44	44	1.12	11.5	11.5	11.5
45	45	1.12	11.5	11.5	11.5
46	46	1.12	11.5	11.5	11.5
47	47	1.12	11.5	11.5	11.5
48	48	1.12	11.5	11.5	11.5
49	49	1.12	11.5	11.5	11.5
50	50	1.12	11.5	11.5	11.5

(Continued)

12 Month High	12 Month Low	Div. Yld. PE	50s High	50s Low	Close
51	51	1.12	11.5	11.5	11.5
52	52	1.12	11.5	11.5	11.5
53	53	1.12	11.5	11.5	11.5
54	54	1.12	11.5	11.5	11.5
55	55	1.12	11.5	11.5	11.5
56	56	1.12	11.5	11.5	11.5
57	57	1.12	11.5	11.5	11.5
58	58	1.12	11.5	11.5	11.5
59	59	1.12	11.5	11.5	11.5
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64	64	1.12	11.5	11.5	11.5
65	65	1.12	11.5	11.5	11.5
66	66	1.12	11.5	11.5	11.5
67	67	1.12	11.5	11.5	11.5
68	68	1.12	11.5	11.5	11.5
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76	76	1.12	11.5	11.5	11.5
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79	79	1.12	11.5	11.5	11.5
80	80	1.12	11.5	11.5	11.5
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82	82	1.12	11.5	11.5	11.5
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84	84	1.12	11.5	11.5	11.5
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86	86	1.12	11.5	11.5	11.5
87	87	1.12	11.5	11.5	11.5
88	88	1.12	11.5	11.5	11.5
89	89	1.12	11.5	11.5	11.5
90	90	1.12	11.5	11.5	11.5
91	91	1.12	11.5	11.5	11.5
92	92	1.12	11.5	11.5	11.5
93	93	1.12	11.5	11.5	11.5
94	94	1.12	11.5	11.5	11.5
95	95	1.12	11.5	11.5	11.5
96	96	1.12	11.5	11.5	11.5
97	97	1.12	11.5	11.5	11.5
98	98	1.12	11.5	11.5	11.5
99	99	1.12	11.5	11.5	11.5
100	100	1.12	11.5	11.5	11.5

## U.S. Automakers' Sales Declined in Early June

**The Associated Press**  
DETROIT—Sales of domestically built cars and light trucks fell 4.1 percent in early June from year-earlier levels, U.S. automakers reported Tuesday.

Industry analysts said sales were higher in early June 1987 because a new round of incentives had been launched. They noted that 1988 spring sales have held steady and consumer confidence remains strong.

Domestic car sales in the nine selling days from June 1-10 were down 4.8 percent from the identical period a year earlier, and domestic light truck sales were down 2.7 percent.

The eight companies that build passenger vehicles in the United States sold 198,647 domestic cars and 112,945 domestic light trucks in early June, down from 208,699 cars and 116,000 trucks a year earlier.

Car sales were down for all domestic makers except Toyota Motor Corp., which was just beginning U.S. production last year, and Mazda Motor Corp., which began U.S. production in September.

"The last 10 days of May were very strong and may have borrowed some sales that normally would have occurred in the first 10 days of June," said Michael Luckey, president of Luckey Consulting Group in Cresskill, New Jersey.

Kathleen Heaney, an analyst with Nikko Securities International in New York, agreed that the early June decline was a normal response after heavy sales at the end of May.

General Motors Corp. sold 6.2 percent fewer domestic cars and 4.5 percent fewer domestic light trucks than in early June 1987. GM's combined car and light truck sales were down 5.7 percent from a year earlier.

GM, the industry leader, held 45.6 percent of the combined domestic market, slightly less than the 46.8 percent it held in early June 1987. Ford Motor Co.'s domestic car sales were down 1.2 percent and its domestic light truck sales lagged 6.9 percent behind year-earlier sales. Ford's combined domestic car and light truck sales were down 4.7 percent from a year ago.

The nation's second-largest automaker's share of the combined domestic market held nearly steady at 31.2 percent.

## Swedish Inflation Rises To 6.7% Annual Rate

**Reuters**  
STOCKHOLM—Swedish inflation reached its highest level last month since 1985, threatening an otherwise strong economy, the nation's economists said Tuesday.

Figures from the Central Bureau of Statistics showed that prices rose at an annual rate of 6.7 percent in May, a figure unmatched since September 1985.

The monthly rise of 0.4 percent was, however, lower than the previous month's rise of 0.9 percent.

"The May figure may even have been a bit better than we anticipated, but it is still worrying to see annual inflation running so high," said Lillemor Thalin at Svenska Handelsbanken.

The Social Democratic government, facing a general election in September, painted an optimistic picture of the economy in its revised budget two months ago, with almost full employment and healthy growth through to 1989.

But it also introduced measures aimed at curbing a consumer spending boom and wage increases in order to combat inflation.

"The government's budget prediction of annual inflation of 5.3 percent in 1988 looks way out of line," one bank economist said, "although the economy might still be in high gear, there is uncomfortably high inflationary pressure."

Open Inflation: 16.83

COFFEE (CBOT) 500 lb medium-dollars per bushel

COFFEE (NYMEX) 500 lb medium-dollars per bushel

## U.S. Futures

Via The Associated Press

June 14

Season Season High Low Close Chg.

Grains

WHEAT (CBOT) 500 lb medium-dollars per bushel

CORN (CBOT) 500 lb medium-dollars per bushel

SOYBEANS (CBOT) 500 lb medium-dollars per bushel

SOYBEAN OIL (CBOT) 60,000 lb-cents per lb

SOYBEAN MEAL (CBOT) 40,000 lb-cents per ton

LIVESTOCK

CATTLE (CME) 40,000 lb-cents per lb

HOGS (CME) 40,000 lb-cents per lb

PORK BELLS (CME) 40,000 lb-cents per lb

FEEDER CATTLE (CME) 40,000 lb-cents per lb

HOGS (CME) 40,000 lb-cents per lb

PORK BELLS (CME) 40,000 lb-cents per lb

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PORK BELLS (CME) 40,000 lb-cents per lb

## Food

COFFEE (NYMEX) 500 lb medium-dollars per bushel

SUGAR (NYMEX) 112,000 lb-cents per lb

COCAIN (NYMEX) 500 lb medium-dollars per bushel

ORANGE JUICE (NYMEX) 100,000 lb-cents per lb

APPLES (NYMEX) 100,000 lb-cents per lb

PEACHES (NYMEX) 100,000 lb-cents per lb

PLUMS (NYMEX) 100,000 lb-cents per lb

CHERRIES (NYMEX) 100,000 lb-cents per lb

APRICOTS (NYMEX) 100,000 lb-cents per lb

PEARS (NYMEX) 100,000 lb-cents per lb

GRAPES (NYMEX) 100,000 lb-cents per lb

LEMONS (NYMEX) 100,000 lb-cents per lb

LIMES (NYMEX) 100,000 lb-cents per lb

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PEACHES (NYMEX) 100,000 lb-cents per lb

## Metals

COPPER (COMEX) 100,000 lb-cents per lb

ALUMINUM (COMEX) 100,000 lb-cents per lb

ZINC (COMEX) 100,000 lb-cents per lb

NICKEL (COMEX) 100,000 lb-cents per lb

SILVER (COMEX) 100,000 lb-cents per lb

GOLD (COMEX) 100,000 lb-cents per lb

PLATINUM (NYMEX) 100,000 lb-cents per lb

PALLADIUM (NYMEX) 100,000 lb-cents per lb

IRIDIUM (NYMEX) 100,000 lb-cents per lb

RHODIUM (NYMEX) 100,000 lb-cents per lb

ROSEMARY (NYMEX) 100,000 lb-cents per lb

TELEPHORUM (NYMEX) 100,000 lb-cents per lb

BUSINESS ROUNDUP

NZI Net Profit Plunged 82% in Year

WELLINGTON, New Zealand NZI Corp., the nation's largest...

reduced the net charge to 112.94 million. NZI said all divisions traded at record levels in the first half ended Sept. 30...

Forecasts of profit before extraordinary items were running between 100 million and 120 million dollars until two weeks ago...

iticorp's West German Unit Says Operating Profit Slid

FRANKFURT — Citibank AG, Citicorp's West German subsidiary, said Tuesday its operating profit fell 81.7 percent in 1987...

due to massive sales of securities. Mr. Menzel said that securities holdings were now 30 to 40 percent lower than at the end of 1987...

But operating profit before taxes rose to 187.14 million dollars from 179.16 million. The overall result "does not necessarily have a lot to do with how the market should view NZI"...

Japan's Domestic Car Sales Are Expected to Rise 1.8%

TOKYO — Car sales in Japan are likely to rise 1.8 percent this year to a record 4.85 million vehicles, the president of Toyota Motor Corp. said...

3.2% of Texaco Shares Sold

NEW YORK — A big block of Texaco Inc. stock was sold Tuesday, but it was not known who participated in the sale...

Montedison Stock Surges 2.7% on Takeover Rumors

MILAN — Shares of Montedison SpA continued to surge Tuesday in active trading on the Bourse, boosted by what analysts described as a combination of speculative buying and some institutional investor interest...

What worries people most is this: If the thrift industry bleeds profusely in good times, what will happen in the bad — when, say, interest rates shoot up or the next recession hits?

While Congress carries its share of responsibility for the industry's crisis, experts placed almost equal blame on federal and state regulators, who were overwhelmed by the disaster and did not move fast enough to contain it...

THRIFTS: U.S. Facing a \$70 Billion Financial Bailout

Continued from first finance page) pursued by the FHLLB will be enough to halt the deterioration. But what worries people most is...

lating interest rates, it increased deposit insurance for thrift institutions, banks and credit unions to \$100,000 per account from \$40,000...

As the FHLLB tried, in the 1980s, to give sick institutions enough time to recover, it approved new regulations that raised experts in hindsight called accounting gimmicks...

ADVERTISING INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 14th June 1988

Table with multiple columns listing various international funds, their symbols, and current market prices. Includes sections for 'Other Funds' and 'Escorts & Guides'.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE. Head office in New York, 10 W 56 St, NYC 10019 US. 212-765-7896. 212-765-7754.

INTERNATIONAL CLASSIFIED

(Continued from Back Page) LONDON BELGRAVIA. ESCORT SERVICE. Tel: 736 5477. MAYFAIR CLUB. ESCORT SERVICE from 5pm. Tel: 020-224155.

ESCORTS & GUIDES

HAMBURG. \*Male & Female Escort Service. Tel: 043-552185. \*MILAN EXECUTIVE MULTILINGUAL. Tel: 02-581911.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE. Head office in New York, 10 W 56 St, NYC 10019 US. 212-765-7896. 212-765-7754.

INTERNATIONAL CLASSIFIED

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INTERNATIONAL CLASSIFIED

(Continued from Back Page) LONDON BELGRAVIA. ESCORT SERVICE. Tel: 736 5477. MAYFAIR CLUB. ESCORT SERVICE from 5pm.

ESCORTS & GUIDES

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DAWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD INTERNATIONAL BOND FUND. Registered office: 2535 Luxembourg, 20, Boulevard Emmanuel Servais. R.C. Luxembourg 24597. AGENDA: 1. Approval of the report of the board of directors and the report of the statutory auditor...

BUSINESS SCHOOL LAUSANNE Evening M.B.A. Program. Excludes available in Business Policy, Ethics, Money & Banking and Global Marketing. Contact: Admissions Officer, 38 rue Ed. Dapples, P.O. Box 2290, 1002 Lausanne, Switzerland. Tel: 021 27 38 33.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High/Low, Div, Yld, PE, 52-Week High/Low, Close, Chg, Chg %

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Table with columns: 12 Month High/Low, Div, Yld, PE, 52-Week High/Low, Close, Chg, Chg %

Cartier advertisement for Pearl Tipped Luxury Slim Cigarettes, featuring a pack of cigarettes and the Cartier logo.

Floating-Rate Notes

Table listing floating-rate notes with columns: Issuer/Mat, Coupon Next, Bid, Asked

Deutsche Marks

Table listing Deutsche Marks with columns: Issuer/Mat, Coupon Next, Bid, Asked

Pounds Sterling

Table listing Pounds Sterling with columns: Issuer/Mat, Coupon Next, Bid, Asked

Japanese Yen

Table listing Japanese Yen with columns: Issuer/Mat, Coupon Next, Bid, Asked

Auction

Absolute to the Highest Bidder. Subject to a Minimum Opening Bid of \$17 Million. One of the LAST Development Parcels along the Wisconsin Avenue - Rockville Pike Corridor. SUBURBAN WASHINGTON DCs. REAL ESTATE OPPORTUNITY OF THE DECADE!

Business School

BUSINESS SCHOOL LAUSANNE. Bachelor of Science (Business) now available in the evenings. Tuesday, Wednesday, Thursday, 6 to 9:30 p.m.

Oil & Gas Production

OIL & GAS PRODUCTION. Western Canadian producing oil and gas properties with cash flow available for sale.

Various financial advertisements including 'Up Sharpl', 'Dollar Surge', and 'OTC'.



CURRENCY MARKETS

Dollar Up Sharply on Trade Figures

NEW YORK — The dollar finished Tuesday at its highest levels since a half month against the Deutsche mark, fueled by a post-expected narrowing in U.S. trade deficit for April...

London Dollar Rates table with columns for Currency, Bid, and Ask prices.

of the Federal Reserve Board, voiced approval for the report on the deficit, saying: "I liked it. I liked the number."

of Seven industrial countries will be eager to preserve the enhanced U.S. export competitiveness resulting from the dollar's long decline.

Dealers said American corporations, many of which have held short dollar positions for some time, expressed concern Tuesday over the dollar's climb.

"I've been hearing from other banks that the corporations are getting nervous," said a dealer at one big corporation.

In earlier trading Tuesday in London, the dollar edged sharply higher on news of the U.S. trade data.

"After that figure, the market will be pushing the dollar only one way," said Tim Fox, currency analyst at Barclays Bank in London.

After jumping as much as 3.5 pence against the Deutsche mark following release of the report, the dollar settled back in later trading to end with gains of more than 2 pence and 1.2 yen.

In London, the U.S. currency closed at 1.7475 DM, up from 1.7248 DM on Monday, and at 126.35 yen, up from 125.15 yen the previous day.

Canada Dollar Surges Again

OTTAWA — The Canadian dollar surged back above 82 U.S. cents Tuesday in heavy trading on the American market, a rally traders said was touched off by narrowing in the U.S. trade deficit.

"Canadian interest rates are still very attractive," noted one dealer. The central bank has been concerned that inflation, running at an annual rate of about 4 percent, continues to overheat in the industrial areas of Ontario and Quebec.

A recent report by the Organization for Economic Cooperation and Development also warned the country's booming economy could ignite price demand.

The OECD predicted the Canadian economy would expand by 4 percent this year before slowing slightly to 3.25 percent in 1989. Inflation, meanwhile, is forecast to rise to a 4.25 percent rate in 1989, from 3.75 percent this year.



Dealers on the Frankfurt Stock Exchange nervously awaiting closing prices Tuesday ahead of the release of U.S. trade figures.

TRADE: U.S. Deficit Shrank 15.5% in April as Exports Held Steady

(Continued from page 1) last year, while imports increased by 4.5 percent. The exports, especially in real volumes, are rising much faster than imports. Import growth has slowed down," he said.

He pointed especially to U.S. sales of capital goods overseas, which increased by 31.5 percent in the first four months of the year and are the United States' largest export category. At the same time, capital goods imports increased 23.5 percent, reflecting strong U.S. capital equipment.

Capital equipment is a sector in which U.S. suppliers held a strong surplus going into the 1980s. The figures for the first four months of this year show that that surplus has returned, Mr. Ortner said.

"Gradually, I think we will see more and more shifting to American equipment," he added. The U.S. deficit in trade of manufactured goods widened, however, to \$10.92 billion in April from \$10.72 billion in March. This deficit reflected a decline in the exports of office machines, aircraft and parts, cars, and electrical and industrial machinery, commerce officials said.

Capital Market Pact Challenging EC

Some Banks Must Make Big Changes as Protections End

LUXEMBOURG — The European Community's agreement on Monday to create a single capital market is a crucial success in its plan to create a unified EC market by 1992.

But in giving EC accounts the right to open bank accounts and make financial transactions anywhere in the 12-nation community, it will also pose a difficult challenge for banks that, in some countries, have long been protected from foreign competition.

Executives of foreign and domestic banks in Luxembourg, the biggest banking center in Europe outside London, said Tuesday that the liberalization was part of a process that would transform the European banking scene.

"It could utterly change the landscape in countries where there has always been a restriction on capital," said an analyst at one of the banks.

A senior executive of another institution commented that the open capital market would increase the already-substantial interest of the huge Japanese finance houses, such as Dai-ichi Kangyo Bank, in the European banking sector.

"Japan has been doing what it has been doing in industry for the past 30 years," he said.

The liberalization, decided Monday, completed a two-year program to create an EC finance market unencumbered by national boundaries and protectionist legislation.

It included a concession to the "poor" EC countries, which fear the effects of sharp capital inflows and outflows on their currencies.

Spain and Ireland will have the right to implement the directive beginning in 1992, and Greece and Portugal beginning in 1995, in order to adjust their economies.

It will be put into effect in the eight other EC countries beginning in 1990. Only in a handful of them is there currently a complete liberalization of capital movement.

The sources said banks that had been protected by laws forbidding citizens to open bank accounts in other countries, controls on currency transactions and national bureaucratic obstacles discouraging competition from foreign banks faced a serious dilemma.

In France, said an economist at a large international bank, "the banks would have to make a major restructuring effort."

He pointed to the traditional undercapitalization of French banks, making them vulnerable to foreign takeover bids, and their vast networks of provincial agencies, the costs of which are a drag on their balance sheets.

Luxembourg, Britain and the Netherlands, which liberalized their capital markets long ago, were well-placed for the change, with banks efficient and big enough to withstand U.S. and Japanese competition.

West German banks "have got the money, they're strong enough," he said, but added that the banks were too cautious about expanding.

The sources agreed that most European banks in recent years had begun to expand sharply and diversify their operations in line with the movement towards global banking.

But, they said, the expansionary trend is likely to accelerate under the EC's liberalization, especially through intra-community takeovers and mergers aimed at placing small- and medium-sized banks in less vulnerable positions and developing their interests in other EC countries.

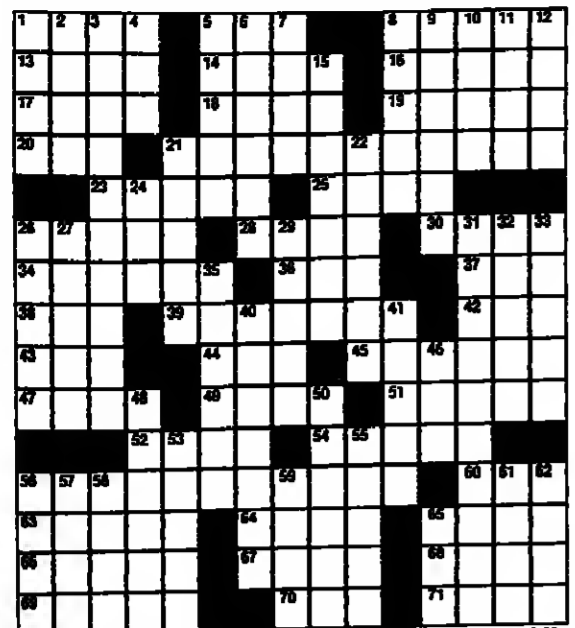
Elsevier Buys U.S. Publisher

AMSTERDAM — The Dutch publisher Elsevier NV said Tuesday it had acquired Springhouse Group, a medical magazine and book publisher based in Spring House, Pennsylvania, for an undisclosed amount.

Large financial table with multiple columns for stock prices, including OTC prices, 12-month high/low, and various stock symbols like AIG, AXL, and others.

Oil & Gas Products

PERSONAL INVESTING IN THE 1980s... MONDAY OF EACH MONTH... EDITED FOR THE SOPHISTICATED INVESTOR...



**ACROSS**

1 D.A.'s helper  
5 A.A.F. award  
8 Wood for Solomon  
13 Peddle  
14 "I'm poor Yorick": Shak.  
16 Convex molding  
17 Money-exchange term  
18 Painter  
19 What's Across is  
20 "bleu (blue-stocking)"  
21 Soda dish  
23 Fluctuate  
25 Trial  
26 Former Turkish title  
28 Suffix for wagon or farmer  
30 Made tracks  
34 "... as firm as a job"  
36 Succor  
37 High note  
38 Caviar  
39 Theme of this puzzle  
42 Thespian  
43 Murray  
44 Alias  
44 Gat  
45 Cathedral city in France, old style

**47 Japanese drink**  
**49 Tenn.'s state flower**  
**51 Bert's pal**  
**52 Spice**  
**54 Kind of peach**  
**58 "Va. dish"**  
**60 "Kapital"**  
**63 Lubricated**  
**64 Water vessel**  
**65 Make silent**  
**66 Actor Eric**  
**67 Homophone for scene**  
**68 Bridge play**  
**69 Glorify**  
**70 Prefix for sphere**  
**71 Distort**

**21 Rain-forest climber**  
**22 A herb-not 1925**  
**24 Kave son**  
**26 Former Turkish coins**  
**27 King of Magadha: 273-232 B.C.**  
**29 Slowly, in Siena**  
**31 Chinese dish**  
**32 Fragrant resin**  
**33 "du ventre" (belly dance)**  
**35 Caruso**  
**40 Bullring**  
**41 Lines of the desert**  
**46 Suffix with directions**  
**48 Result of fire**  
**50 Tapeworm part**  
**53 Concor country**  
**55 Southwestern plain**  
**56 Journalist**  
**57 Streamlet**  
**58 Toic base**  
**59 Absquatulate**  
**61 Tennis gear**  
**62 Kind of girl or range**  
**65 "For" a jolly**

**DOWN**

1 A king of Israel  
2 "Volsunga"  
3 Alpine dish  
4 Ring abbr.  
5 Name symbolic of friendship  
6 Pipe collar  
7 Deuce, e.g.  
8 Gift in an O.  
9 Turns outward  
10 Slow-witted  
11 Kirghiz mountain  
12 Rock's partner  
15 Dog type

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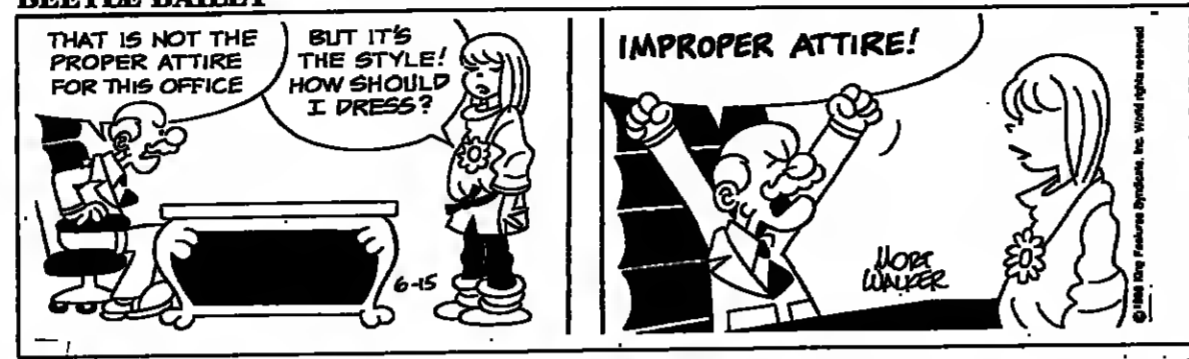
PEANUTS



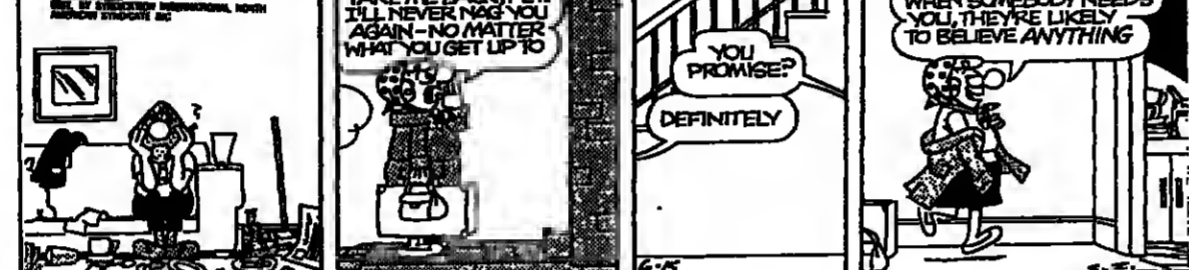
BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

**GYNAT**  
**WHYSO**  
**QUILOR**  
**LETTAC**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: **IT WAS**

Monday's Jumble: **BRON ONION ALWAYS BOUNTY**  
Answer: How it was crossed by a robot—BY A ROBOT!

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	18	14	Seoul	23	18
Amsterdam	18	14	Beijing	23	18
Athens	23	18	Hong Kong	27	21
Berlin	18	14	Manila	27	21
Bombay	23	18	Seoul	23	18
Buenos Aires	23	18	Singapore	27	21
Calcutta	23	18	Taipei	27	21
Canton	23	18	Tokyo	27	21
Chennai	23	18			
Colombo	23	18			
Delhi	23	18			
Dhaka	23	18			
Frankfurt	23	18			
Geneva	23	18			
Helsinki	23	18			
London	23	18			
Los Angeles	23	18			
Madrid	23	18			
Mumbai	23	18			
Nairobi	23	18			
Paris	23	18			
Rangoon	23	18			
San Francisco	23	18			
Singapore	23	18			
Taipei	23	18			
Tokyo	23	18			
Washington	23	18			
Zurich	23	18			

**World Stock Markets**  
Via Agence France Presse Closing prices in local currencies, June 14

Market	Index	Change
<b>American</b>	Dow Jones	2,815.12
<b>London</b>	FTSE 100	2,815.12
<b>Paris</b>	CAC 40	2,815.12
<b>Stockholm</b>	Stockholm 20	2,815.12
<b>Sydney</b>	Sydney All Ordinaries	2,815.12

BOOKS

**THE DIARY AND LETTERS OF KATHE KOLLWITZ**  
Edited by Hans Kollwitz. Translated by Richard and Clare Winston. Illustrated by Richard and Clare Winston. 264 pages. \$42.95, cloth; \$15.95, paper. Northwestern University Press, Box 1093, 1735 Benson Avenue, Evanston Ill. 60201.

Reviewed by Robert Gore Rifkind  
KATHE KOLLWITZ (1867-1945) was among the most popular of the German Expressionist artists. She was a role model of the energetically engaged artist and political activist while also being a devoted wife and mother.

The "Diary and Letters of Kathe Kollwitz" spans 36 years of her life, from 1909 (when she was 42) to six days before her death in April 1945. During this period, spent mostly in Berlin, she lived through the major events of the first half of our century: World War I, in which she lost her son Peter; the birth and demise of the Weimar Republic; the rise of Hitler and the Third Reich; and World War II, in which she lost a grandson.

In addition, she observed illness and death on a daily basis throughout her 49-year marriage to a doctor in a working-class neighborhood. She would regularly sit in his waiting room and sketch his patients. Her art reflects these events in repeated images of sickness, mother and child, hunger, and death. Her graphics, particularly her woodcuts, are among the most emotionally evocative artworks of the 20th century.

The "Diary and Letters" (a reprint of the 1955 edition, which has been out of print for almost 30 years) provides an intimate insight into this extraordinary woman. It begins with an introduction by the artist's son, Hans (who describes his mother's life and her work as exhibited by the National Socialist government); an account by Kollwitz of her "Early Years," written in about 1922; another essay by her, "In Retrospect, 1941"; extensive excerpts from her diaries beginning in 1909; letters from 1907 to 1945, and reproductions of 52 of her drawings, graphics and sculpture.

BRIDGE

By Alan Truscott  
SIX teams with world championship hopes began a long struggle in Memphis last week in the American Contract Bridge League's international team playoffs.

In the open series semifinals, after 80 deals of a scheduled 128, a team with a Texas nucleus led by 140imps against a Florida squad. The winners will play in the final against a group of reigning world champions, mainly from California. At the same stage of the women's series, Kathie Wei of Manhattan, with almost the same group that won the world title in Seattle four years ago, trailed a California squad by 33. In the other

match, both North-South pairs reached five spades. Dorothy Truscott and Martel for the McCull team were doubled; gained 9imps.

semifinal, a Seattle group led a team headed by Karen McCullum of Manhattan by 34. The diagramed deal had a big impact on all three matches. Beverly Rosenberg and Carol Pincus for the California women's team, bid and made six spades after the bidding shown. This would have been beaten if West had been inspired to lead the ace and another trump, but she chose a heart and South was able to maneuver two club ruffs to make the slam. This was worth 16imps when the opposing North-South missed spades altogether, playing three hearts down one.

Bernie Chazen and Russ Arnold for the Florida team also bid and made six spades, gaining 13imps. In the third

**North**  
AKO  
Q10 8732  
AK 1032

**West**  
A54  
Q98  
K74  
A10974

**South**  
A138732  
QK3  
A10974

North and South were vulnerable.  
The bidding:  
East South West  
1c 2c Pass  
Pass Pass  
West led the heart eight.

**Zurich**

Adia	1020	890
Alusuisse	800	848
Bank Leu	230	230
Brown Boveri	230	230
Chemical Bank	230	230
Electrabel	230	230
Embra Fischer	100	100
Genève	100	100
Industrie	100	100
Landis & Gyr	100	100
Lehmann	100	100
Longines	100	100
Migros	100	100
Nestlé	100	100
Novartis	100	100
Roche	100	100
Sandoz	100	100
Swissair	100	100
Tetra Pak	100	100
Widex	100	100
Yokogawa	100	100

**Stockholm**

AGA	195	194
Alla Lovar	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194
Asiro	195	194

SCIENCE  
IN THE HEAT EVERY THURSDAY  
A FULL PAGE ON  
RECENT DISCOVERIES IN  
SCIENCE AND MEDICINE

SPORTS

Italy and West Germany Are Winners in Shutouts

FRANKFURT — Gianluca Vialli scored in the 74th minute to give Italy a 1-0 victory over Spain in the 1984 semi-finalist match here Tuesday night.

On Tuesday, it could have won by a larger margin, but Frank Mill's header in the 80th minute hit the left post.

Rob Hughes, the Dutch defender, has lost his head, the Soviets personalized grace under pressure when the Netherlands swept at them in Cologne on Sunday.

It Is, of Course, a Matter of Offense and Defense

In Gullit's words, "Tactics proved more important than individuals." Well, yes and no. Though it pains to suggest it, the Dutch played with perhaps too much of an attitude, believing they had only to let time flow to win.

Rob Hughes, the Dutch defender, has lost his head, the Soviets personalized grace under pressure when the Netherlands swept at them in Cologne on Sunday.

"Everyone was looking to our fanciful, imaginative play," Dutch veteran Arnie Mulven had said. "They forget our priority should be the same as everyone else — the result."

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Mets Defeat Cardinals in 12th

NEW YORK — The New York Mets broke their longest losing streak in three years on a fake bunt.

Cardinals, 2-1, here Monday night. The triumph snapped New York's five-game losing streak, its longest since 1985.

Cardinals, 2-1, here Monday night. The triumph snapped New York's five-game losing streak, its longest since 1985.

LeMond Confirms He Will Skip Tour

MINNEAPOLIS (Combined Dispatches) — Greg LeMond, the American to win the Tour de France, has confirmed that he will miss the most prestigious event for the second consecutive year.

LeMond, still recovering from his latest injuries, said Monday that he is not ready for the 75th tour, which starts July 4.

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Penguins of NHL Fire Coach Creamer

PITTSBURGH (AP) — The Pittsburgh Penguins on Monday fired coach Tom Creamer after one season as head coach of the National Hockey League team.

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Olympic Ski Champ Reportedly Quits

MUNICH (AP) — A magazine on Tuesday quoted Olympic downhill champion Marina Kiehl as saying she is retiring from competition.

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The Record

After viewing films of the race, organizers of a meet Saturday in Abilene said that Said Aouita did not lower his own world record in two-mile run.

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Thomas a 'Doubtful' Starter for Fourth Game of NBA Finals

By Sam Goldaper New York Times Service DETROIT, Michigan — The Detroit Pistons had all sorts of off-field problems in Sunday's loss to the Los Angeles Lakers, even if Isiah Thomas running the floor.

DETROIT, Michigan — The Detroit Pistons had all sorts of off-field problems in Sunday's loss to the Los Angeles Lakers, even if Isiah Thomas running the floor.

DETROIT, Michigan — The Detroit Pistons had all sorts of off-field problems in Sunday's loss to the Los Angeles Lakers, even if Isiah Thomas running the floor.



Yankee outfielder Dave Winfield, making a diving catch of a second-inning drive by Mike Greenwell Monday night in Boston.

reer-high 10th save to lead the Padres to their fifth straight triumph. Astros 6, Braves 5: In Houston, Denny Walling singled home Kevin Bass from second base in the eighth, lifting the Astros past Atlanta.

Transition

BASEBALL American League BOSTON — Activated Gene Garber, pitcher, from the 15-day disabled list. Sent Zach Crouch, pitcher, to Pawtucket of the International League.

SCOREBOARD

Table with columns for AMERICAN LEAGUE, NATIONAL LEAGUE, and Monday's Major League Line Scores. Lists teams, scores, and key players.

TENNIS Wimbledon Draw

The draw for the men's and women's seeds in the All-England tennis championships, which start Monday in Wimbledon, England.

BASKETBALL NBA Playoff Leaders

Table showing NBA Playoff Leaders with columns for team, wins, losses, and percentages.

Major League Standings

Table showing Major League Standings for American League and National League, including East and West divisions.

Advertisement for Blancpain watches. Features a large image of a watch and the text 'BLANCPAIN SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH AND THERE NEVER WILL BE.' Below the watch is the name 'Arfan' and contact information for a watchmaker in Paris.

